

ACCUnews[®]

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Credit Union



People Helping People



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 45 million individual members from 54,133 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.



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ASIAN CREDIT UNION FORUM 2009
 24-26 September
Outsmarting the Impacts of the Global Financial Crisis
Early bird by June 15, 2009
Pre-Conference on CEOs, HRD, Youth and Women
21-23 September

Is Food Security a Credit Union Concern?

In our 38 years of existence, ACCU has dedicated its service to fulfill its mission of strengthening credit unions in Asia so that they could serve as vehicles for people to improve their lives. Promoting people's initiatives particularly in developing countries in Asia is quite a challenge due to complicated problems they are facing.



and civil conflict, corruption, national policies that do not promote equal access to food for all, environmental degradation, barriers to trade, insufficient agricultural development, population growth, low levels of education, social and gender inequality, poor health status, cultural insensitivity, and natural disasters.

We cannot simply isolate the issues confronted by people who are the potential members of credit unions. The impact of credit union must be visible to the members and community. Credit unions exist to provide financial solutions to every member's financial problems.

Last February, ACCU and USC Canada Asia organized a workshop that discussed issues on Food Security and the Role of Credit Unions. According to United Nations, millions of people worldwide suffer from hunger and under nutrition. A major factor contributing to this international problem is *food insecurity*. This condition exists when people lack sustainable physical or economic access to enough safe, nutritious, and socially acceptable food for a healthy and productive life. Food insecurity may be chronic, seasonal, or temporary, and it may occur at the household, regional, or national level.

The United Nations estimates there are 840 million undernourished people in the world. What is truly disturbing is that majority of undernourished people (799 million) reside in developing countries, most of which are on the continents of Africa and Asia.

According to United Nations, in developing countries, the root causes of food insecurity include: poverty, war

Globally, certain groups of people are more vulnerable to food insecurity than others. Vulnerable groups include: victims of conflict (e.g., refugees and internally displaced people); migrant workers; marginal populations (e.g., school dropouts, unemployed people, homeless people, and orphans); dependent populations (e.g., elderly people, children under five, and disabled and ill people); women of reproductive age; ethnic minorities; and low literacy households.

The foregoing conditions described above are within the sight of our credit union leaders and to some extent, perhaps many credit unions do operate in those areas.

As poverty is one of the major causes of food insecurity, credit unions must be more enthusiastic in reaching the poor. Credit unions must link their financial services to achieving food security on the household level, community and ultimately the country. We have to work very hard because the credit union does exist to give people hope, better life and sustainable future. Our helping hand is needed and as leaders we are, we need to reach out, design your services bearing in mind that every single service we offer creates a lasting impact on the sustainability and bright future of your members – especially those who lacks or do not have opportunity. The hope is the credit union – when you reach out you give hope.

Regional Event



Mr. Joris Geeven, 2nd Secretary (Economic Section), Royal Nederland Embassy



Mr. Steven Rheault-Kihira, Counselor, Embassy of Canada



41 ACCESS Brand Auditors Certified

Forty credit union professionals from 11 member organizations were certified by ACCU as ACCESS Brand Master Auditor after successfully attending the five days training on January 26-31 in Bangkok, Thailand. Countries represented in the training were Bangladesh, Indonesia, Laos, Mongolia, Myanmar, Nepal, Pakistan, Philippines, Russia, Sri Lanka, and Thailand.

ACCESS-A1 Competitive Choice for Excellence in Service and Soundness was developed by ACCU in collaboration with its member organizations as quality assurance standards for Asian credit unions. Adopted from the Balanced Scorecard, ACCESS comprises of 86 measurable indicators on Financial, Customer/member, Internal Business Processes and Learning & Growth Perspective.

The accreditation of ACCESS Auditors is in line with ACCU commitment to build the capacity of the national federation in branding. The auditors are expected to provide technical assistance to credit unions to achieve the standards. Meanwhile, ACCU is also looking at opportunity to utilize the services of the Auditors in the final verification of credit unions seeking ACCESS accreditation.

CORDAID of the Netherlands, the Canadian Co-operative Association (CCA) and the Federation of Savings and Credit Cooperatives of Thailand (FSCT) sponsored the training. In particular, FSCT, the 2nd largest federation of savings and credit cooperatives in Asia supports ACCU in its development initiatives in developing countries. According to Anan Chatrurachewin, General Manager of

FSCT, "it is our time to repay and fulfill our social responsibility by helping promote and strengthen credit unions in developing countries through ACCU."

Mr. Joris Geeven, 2nd Secretary (Economic Section), Royal Nederland Embassy and Mr. Steven Rheault-Kihira, Counselor, Embassy of Canada graced the opening of the training. Mr. Geeven and Mr. Kihira were both delighted to meet the recipients the Dutch and Canadian government support through ACCU.

The first Auditors training held in January 2007 certified 38 credit union professionals from nine countries. ACCU has so far certified 78 ACCESS brand auditors. Meanwhile, ACCESS Branding Self-Assessment Tool has been translated in Thai, Indonesian, Bangla, Nepali and Russian language.



NACUFOK Exposure Inspire 15 Credit Union Leaders & Professionals

For the last 23 years, NACUFOK has extended its generosity hosting credit union leaders and professionals to learn the Korean credit union system. The 23rd NACUFOK Exposure program on March 30 to April 4 was attended by 15 delegates from Bangladesh, Hong Kong, Indonesia, Mongolia, Sri Lanka, Philippines 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 ACCU Program Assistant Kamon Kiattisirikumpon. “Most importantly, the program undoubtedly generated personal motivation by seeing what has become of NACUFOK today,” Kamon added. 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 almost 50% of the total working population, NACUFOK is regarded as the 3rd largest credit union movement in the world. In 2008, NACUFOK represents



HOSPITALITY AT ITS BEST: (L) Mr. Oh-man Kwon, NACUFOK Chair & President presents gift to Thai participant (R) Participants receive a warm welcome at Kumsan Credit Union

4.9 million individual members from 994 credit unions and movement’s asset s of US\$ 24.5 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 are always overwhelmed of the essential services instituted by NACUFOK of which among others are the credit union monitoring and supervision, deposit guarantee, high-tech financial services delivery (ATMs, Internet/Phone Banking etc.), centralized training, interlending, corporate PR and marketing and CU Mall. “It is exciting to see credit union advertisements everywhere in Korea

– buses, subway stations, airport trolleys, televisions and expressways,” shared Kamon. There is only one lesson here for the credit union movement – working together can achieve larger goals, added Kamon.

NACUFOK has inspired at least 230 credit union leaders and professionals in Asia through the annual exposure program organized in collaboration with ACCU.

The program featured a tour to NACUFOK’s 20-floor building (3 under and 17 above ground), classroom sessions, credit union visits and cultural immersion. Above all, participants bring home with them an unforgettable experience of Korean hospitality and camaraderie.

Credit Union Development

Laos: Savings & Credit Union hopefuls . . .



Laos project team



New CU Promotion Project in Laos now on Ground

The Credit Union Promotion Project in Laos is now on ground and intensifying training activities for the four project staff and credit union leaders. ACCU CEO Ranjith Hettiarachchi and Program Assistant Kamon Kittiasirikumpon frequented their visits to the three provinces of Xayaboury, Luang Namtha and Oudomxay in the northern provinces of Laos. As of reporting date, four staffs are directly working for the project and the officials of the Department of Planning and Investments, the partner government institution in the provinces, have agreed on the project targets.

ACCU conducted training programs for the three provinces on March 3-10 and March 22-25. The newly hired project staff gained understanding of ACCU, savings and credit union, and their responsibilities/benefits as ACCU staff at the orientation training. Meanwhile, three trainings were conducted for the leaders of select five Village Development Funds (VDFs) of each province. Accounting training was the second round of training in April. Attended by the staff, Treasurers and Chairman, the SCUs were able to adopt standard accounting forms and books to ensure timely recording and reporting of financial transactions.

According to Ranjith, the training aims to inspire the leaders on the value of SCUs for members' family and their community as well as to build human capital in the rural areas. He said the project is going to challenge the contemporary approach on poverty where credit is mainly used as an instrument. The SCU is an approach that inculcates the habit of thrift and financial literacy. For this he said, lineup of interventions are in store for the project staff, SCU leaders and employees. Considering the low literacy rate in rural areas (68.7% in the country), ACCU is underway in the development of picture-visual aids that will be used in motivational sessions at the village level.

The new project, in partnership with Agriterra has a target to transform Village Development Funds into full pledged SCUs (5 for each 3 province). The transformation of an informal savings and credit association to SCUs would guarantee for the sustainable provision of affordable financial services to rural communities in Laos. Meanwhile, Agriterra is also supporting the Luang Prabang project. So far, 49 small credit unions have been organized in six districts in Luang Prabang; however, growth and sustainability will remain the future focus.

Food Security: a New Development Agenda for Credit Unions

According to World Bank, Asia has more than 800 million poor people whose main issue on the day-to-day survival is food.

Credit Union Development

Being very much linked with poverty, the issue on food security is added as one of the top development agenda at credit union discussions. USC Canada Asia, with the technical support of ACCU and in collaboration with NEFSCUN organized the workshop on the Role of Credit Unions in Achieving Food Security 2020 on February 19 to 21 in Nepal. The workshop was participated by 40 representatives from SACCOS and INGOs in Nepal, Bangladesh, India and Pakistan.

“This is the first time we are discussing the issue on food security in a workshop. It is very vital to ensure that SACCOS services are in one way or another contributing to food security for its members and community,” said Shree Ram Shrestha, Executive Director of USC Canada Asia.

As defined at the World Food Summit in 1996, food security is when all people, at all times, have physical and economic access to enough safe and nutritious food to meet their dietary needs and food preferences for an active and healthy lifestyle.

According to World Bank, Asia has more than 800 million poor people whose main issue on the day-to-day survival is food. Poor health and a shorter life expectancy are real risks for these people. Children, and especially very young children, who suffer from food insecurity, will be less developed. They will most likely be shorter and weigh less, and be less able physically and intellectually.

In Asia, SACCOS have reached only 5.3 million poor who gained access to financial services. It enables them to start a small business or farming activities to meet their daily food needs. SACCOS believes that development cannot be achieved if poor people do not meet their physiological needs (food, water and shelter). “The first financial need of poor people is food. SACCOS will not provide food to its members, but will help its members to establish a sustainable source of income that would enable them achieve food security,” said Emdad Hossain Maleque, Secretary of CCULB (Bangladesh).



Savings and Credit Cooperatives have been contributing towards achieving food security at individual, community and national level since 1854. The workshop concluded that SACCOS could play a vital role in achieving food security because they are mostly operating in rural areas and serve poor farmers. There is a need to encourage SACCOS to create a link its financial services to the achievement of food security. The issue is crucial for sustaining the development of SACCOS and its members.

On the other hand, SACCOS will have to create awareness on food security within its membership. Within the boundaries of their existing mandate, the participants agreed to implement practical actions that contribute in achieving food security. As indicated in the action plans, Food Security will be an institutionalized agenda in every participating organization

Member Event



Development Promotion Group



MAFCOCS



ACCU Connecting to Credit Coops in India

India's cooperative sector has more than 100 years history dated back 1904. According to the apex body of cooperatives, National Cooperative Union of India (NCUI), cooperatives have extended across the entire country and there are currently an estimated 230 million members nationwide. The cooperative credit system has the largest network in the world and cooperatives have advanced more credit in the Indian agricultural sector than commercial banks. ACCU member Maharashtra State Federation of Cooperative Credit Societies (MAFCOCS) alone represents 6.5 million individual members in 2,866 credit cooperative societies.

In a two-day workshop on Capacity Building Exercise on Credit Unions,

Microfinance and Multi-state Level Federation organized by Development Promotion Group (DPG) in Chennai in February, ACCU CEO Ranjith Hettiarachchi explained the functions of credit union system at different levels i.e primary and federation. DPG is underway on the implementation of their decision to form a state level federation of credit cooperatives. Thus, the self-help groups DPG organized will be transformed into a cooperative. DPG has reached more than 46,000 individuals under the SHGs set up.

In MAFCOCS (Pune), ACCU presented the objectives and mechanics of the Stabilization Fund, ACCESS Branding and Credit Union Microfinance Innovations at the two-day Strategic Planning meeting of MAFCOCS in

February. The CEO also visited select societies catering to low-income poor. In particular, Buldan Urban Cooperative Society Ltd. serves 350,000 members majority of whom belonging to low income category. Ranjith said a number of large credit cooperatives under MAFCOCS are reaching the low-income people in their community. He suggested MAFCOCS to collect data on the number of poor people reached by credit cooperatives as the information is an evidence of their contribution to the achievement of MDGs.

MAFCOCS is a newly formed state federation of credit cooperatives in the state of Maharashtra. Ranjith said the leaders of MAFCOCS admitted they need more support to consolidate the credit cooperative movement.



Member Event

NEFSCUN-INGOs Meeting Aims for More Collaborative Efforts

ACCU assisted the Nepal Federation of Savings and Credit Unions (NEFSCUN) in organizing the first coordination meeting with International NGOs supporting the savings and credit cooperatives (SACCOS) in Nepal on February 23. Attending 18 INGOs share the same mission of reducing poverty in Nepal through SACCOS.

Shree Ram Shrestha of USC-Canada Asia shared that his organization, in partnership with ACCU, pioneered the promotion of SACCOS in Nepal in 1982. From small savings groups, the initiative evolved into a movement of 537 SACCOS with 200,000 individual members under NEFSCUN. He encouraged the INGOs to coordinate with NEFSCUN considering it has the capacity, standardized technical resources and worldwide connections allowing them access to best practices and standards. Min Raj Kadel, NEFSCUN's Chair welcomed the opportunity of

having a regular dialogue with INGOs. He said it is the commitment of NEFSCUN to reach out and build relationship for the benefit of the individual members of SACCOS. Kadel emphasized SACCOS' contribution to poverty alleviation through the provision of affordable and sustainable financial services to poor communities in Nepal.

It was realized that a well-coordinated program for SACCOS could maximize the benefits to people through efficient delivery and maintenance of the true value of SACCOS in accordance with international credit union principles. NEFSCUN will share its development programs in order for the INGOs to determine the areas they can cooperate with each other. NEFSCUN will also have to discuss individually with INGO the kind of collaboration required. NEFSCUN indicated that the meeting would be organized at least twice a year.

Youth Camp Enlivens Credit Unions in Petchaburi



More than 84 youth attended the Youth Camp organized by the Credit Union League of Thailand on February 13-15 in Petchaburi. The camp gives excitement to youth, credit union leaders, employees as well as public who became curious of the credit union involvement in the youth market. The youth camp featured educational sessions on financial literacy, sports competition, and quiz bee. The first day was a speaking tour to primary and secondary school to market the Youtbee and Smarteen Savings products.

ACCU works with 10 credit unions in Petchaburi to market credit unions to youth age 35 below. Four brands of Youth Financial Products are introduced: Youthbee Savers for kids 12 below, Smarteen Savers for age 13-19, Gen X for age 20-35 and EASY Program for 20-35 out of school youth. CULT and ACCU have developed marketing materials to communicate the benefits of the product brands to young people and their parents.

The partner credit unions believe that the Youth Camp will create a long-term impact in creating loyalty among youth and encouraging youth and their parents to be a part of the credit union.

Member Events

Air Mauritius CCU Organizes Study Visit to Thailand



ACCU organized the study visit of five leaders and staff of Air Mauritius Cooperative Credit Union on March 29-April 1 in Bangkok. The group visited ACCU members - the FSCT, CULT, Thai Airways Savings and Credit Cooperative, Klongchan Credit Union and ACCU.

The four-day visit concluded with a field reflection on the lessons learned. The leaders realized the importance of having the right vision and constantly revisiting the mission of the organization.

The leaders understand the differentiation of credit union as embedded in its mission – helping members gain financial independence. ACCU also provided advice on the design of products and services and financial performance of Air Mauritius CCU.

NATCCO Receives 3 ISO Certifications

Excerpts from INQUIRER.net first Posted 16:59:00 3/11/2009



The National Confederation of Cooperatives (NATCCO) was recently awarded ISO Certification for Integrated Management Systems in simple ceremonies held at its main office in Quezon City, Philippines. The certification includes “Quality Management, Environment Management and Occupational Health and Safety Management.” In his acceptance speech before cooperative sector leaders, NATCCO board and officers, NGO leaders, and staff, NATCCO President & CEO Cresente Paez, said, “We are committed to seek excellence. And to do this, we have to standardize our procedures.”

Rosehall Management Consultants Managing Director, Charit Halili-de Lara, said: “[NATCCO management] has put into action what it promises to its stakeholders: that you shall continue to improve your services to all your customers, that you will not only comply with regulations but actually try to become a benchmark in improving environmental performance, and that you put high importance to human resource and thus care about their health and safety.” Rosehall Management Consultants served as NATCCO’s adviser in the 2-year certification process.

ISO stands for the International Standardization Organization, an international standard-setting body composed of representatives from various national standards organizations. Founded in 1947, it is based in Geneva, Switzerland. ISO initially issued certification for product standards but now also applies it to management systems. The group is represented in the Philippines by the Bureau of Product Standards under the Department of Trade & Industry.

Strengthening Accounting & Financial Reporting of CBFIs in Cambodia

An on the job accounting training was organized on March 14-18 for the Treasurers and Staff of 11 CBFIs (credit unions), and field staff of ACCU partners in Cambodia - SEDOC and FLIFLY. Participants worked on the actual financial transactions that helped them learn the system easily. The accounting training covered the documentation of transactions up to the preparation of Balance Sheet and Income Statement. ACCU designed the accounting system for CBFIs and supported the printing of accounting forms and books of accounts. The 11 CBFIs are required to update their books up to April 2009. ACCU recognizes that a well-accounted financial operation is one of the key foundations for CBFIs’ safety and soundness.



UPDATES: Evolving Leadership in Asian Credit Unions



CONG. JOSE R. PING-AY took his oath of office last January 19 as successor of the late Rep. Guillermo P. Cua to the House of Representatives for COOP-NATCCO partylist. Prior to being a legislator, he was a practicing engineer and a businessperson. He has been involved in the cooperative movement for more than twenty years. He was Chairperson of NATCCO and Sta. Cruz Development Cooperative (northern of Philippines) from 1987-1995 and February 2007. Cong. Ping-ay vowed to continue the programs of his predecessor Gil Cua.



MR. REYNALDO GANDIONCO assumes the Chair position in the National Confederation of Cooperatives (NATCCO) in January 2009. He replaces Engineer Jose Ping-ay who succeeded the representation of COOP-NATCCO Partylist in the Philippine Congress replacing the late Rep. Guillermo Cua. Mr. Gandionco is the Chairperson of Fairchild Cebu Community Credit Cooperative and was the Vice-Chairperson of NATCCO.



MR. WALIS PELIN is elected as the new Chairman of the Credit Union League of the Republic of China (CULROC) at the Annual General Meeting on March 28. He served as the ACCU Treasurer in 2002-2003 and 2nd Vice-President in 2003-2006. In his more than 40 years involvement, Mr. Pelin served in various key positions in his credit union and in CULROC. Mr. Pelin was in the Board of CULROC since 1997 and became its President from 2000 to 2006.



ATTY. PROCULO T. SARMEN is elected Chairman at the General Assembly Meeting of the Philippine Federation of Credit Cooperatives (PFCCO). Representing the Mindanao League as its Chair, Atty. Sarmen is the Chairperson of the First Community Credit Cooperative (FICCO) since 2004 to present. FICCO is considered the largest credit cooperative in the Philippines with assets of more than US\$ 50 million and membership of more than 102,000. Atty. Sarmen also served as Chairman of FICCO in 1988-1989.

Credit Union Leaders



MR. KIENGHENG SAETUNG is elected as President of the Credit Union League of Thailand (CULT) at the Annual General Meeting on April 25. Mr. Kiengheng is the President of Bandung Samakee CU, a partner of ACCU-CULT INDECUA program. In 25 years involvement in CUs, he served as board of director of CULT and Chair of the Supervisory Committee. Mr. Kiengheng always emphasizes the importance of good governance.



MR. CRESENTE PAEZ is returning to the Phil. Congress representing COOP-NATCCO Partylist after the Commission on Elections on April 24 completed the recomputation of the percentage of votes obtained by different partylist groups. In effect, COOP-NATCCO is entitled to two seats in Congress. Mr. Paez will serve in Congress until next election in 2010. Mr. Paez was the first COOP-NATCCO representative in congress.

TIMETABLE

CEOs Workshop

Attendees are Chief Executive Officers/General Managers of ACCU member organizations. The CEOs serves as advisory group for ACCU to ensure that its services are responding to the current needs and issues of credit unions. The workshop intends to present the first draft of the 2009-2014 Asian Credit Union Roadmap.

When: May 14-15, 2009 (rescheduled from April)

Where: Bangkok, Thailand

4th CUs/Coops Regulators Conference

Attendees are regulators or registrars of Credit Unions/ Cooperatives in Asian countries and CEOs of ACCU member organizations.

When: May 16-18, 2009 (rescheduled from April)

Where: Bangkok, Thailand

ACCU Board of Directors Meeting

66th Regular Board of Directors Meeting of ACCU and Board planning session for the 2009-2014 Asian Credit Union Roadmap.

When: May 19, 2009 (rescheduled from April)

Where: Bangkok, Thailand

11th Development Education Workshop

The Development Education Workshop is an intensive personal motivation and awareness raising process that begins with the participation in a five days residential workshop conducted by the Association of Asian Confederation of Credit Unions.

Registration closes May 10, 2009.

When: June 25-30, 2009 (inclusive of arrival & departure)

Where: Bangkok, Thailand

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