

# ACCU news



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FSCT: National Saving Day



Timor Leste: Gov't. focus on coop dev't.



SANASA Federation



Retooling CU credit administration practices



CULROC Exposure program



**ACCU supports the Aims and Goals of the Co-op Decade.**  
"Let's put the co-operative decade into action." -- Charles Gould, Director-General International Co-operative Alliance

## Credit Unions Retool Responsible Lending Practices



**SHARPENING SKILLS:** 33 Loan officers, credit committee, and federation's trainers from Bangladesh, Indonesia, Philippines, and Singapore sharpen skills on credit management during the 4 days training in Bangkok.

Lending is the bread and butter of the credit union's business according to ACCU CEO Ranjith Hettiarachchi. Thirty three loan officers, credit committees and directors of credit unions from Bangladesh, Indonesia, Philippines, and Singapore enhanced their skills on effective loan management at the competency course held on December 2 to 5 in Bangkok.

"Lending is a delicate area – subject to losses due to economic downturns, portfolio mismanagement, loan officer judgment errors and deficient lending policy," admits Merlie Gonzales, a participant from San Jose Savings and Credit Cooperative in the Philippines.

The credit unions in Asia are confronted with the challenge of changing its practices of share leveraging. Though loans should be written based on the capacity to pay, for some reasons a breakdown in the system on its practical application is being experienced. Occurrence of delinquency remains an impediment on the safety and soundness of credit unions.

Having all the systems in place, the participants admitted that members' responsible financial behavior plays an important aspect on the credit union lending services. Credit unions should not blame their members for not being responsible borrowers.

"It is the responsibility of the credit union to change the members' perspective on borrowing," said Sunardi of Indonesia.

ACCU recognizes that Loan Officers play vital role in ensuring that loans are properly written and managed; not only to guarantee collection, most importantly to ensure its purpose is achieved - creating wealth to members rather than creating additional financial burden.

Members receiving loans on the basis of share leveraging instead of capacity based lending is a common issue in many credit unions. Due to this practice, credit unions are dealing with high delinquency affecting its long-term sustainability.

ACCU developed the Credit Union Business Solution No. 17 – Credit Union Loan Officers' Competency Course attempting to cover the A to Z of lending. The Solution provides practical tool for loan officers to perform their duties and responsibilities without losing grip to the original objective of credit union lending.



## East Timor: International Conference Opens Opportunities for Coop Dev't.



CEO Ranjith Hettiarachchi presents the credit union development strategies of ACCU in the Asia region.

The Ministry of Commerce, Industry and Environment of the Democratic Republic of East Timor organized the first International Seminar on Cooperatives on the theme "Co-operatives Build a Better World" on November 18 to 19 in Dili. The conference was attended by 200 delegates from different sectors in Timor Leste and international supporters from Australia, Brazil, Indonesia, Japan Madagascar, Portugal, Thailand, and Sudan.

The Ministry recognizes that cooperative is an instrument for the promotion of the welfare of the people. The seminar was intended to explore partnerships with OCPLP (Cooperative Organization of Portuguese-Speaking People) Countries and other Asian countries to help East Timor in building its cooperative sector.

Currently, there are 120 primary co-operatives and 3 federations with approximately 25,000 individual members. "This situation demonstrates the awareness of local communities, especially in the rural areas about the importance of co-operatives as an economic instrument to help people improve their living conditions," according

to Vice Prime Minister Fernando La Sama de Araujo who opened the conference.

The Asian credit union movement was represented by ACCU CEO Ranjith Hettiarachchi who presented a proposal on the development of credit union sector in East Timor. The affiliate membership of the federation of credit cooperatives in ACCU provides an access to training and resources needed towards its growth and sustainability.

Timor -Leste is one of the youngest nations of the century, and it shows a positive progress in the development of the cooperative sector. Due to this importance, the article 138 of the Constitution of the State already predicts the existence of the cooperative as an economic organization. Earlier the Government approved the Decree -Law 16/2004 to reinforce and pave the way for the creation of co-operatives in Timor. His Excellency Prime-Minister Kay Rala Xanana Gusmão, through the process of consultation on the Strategic Plan of National Development, said cooperatives is a way to help people overcome poverty.



## CU Federation Takes Lead Role in Timor Leste Coop Development

Chairman Mr.Elizario Ferrreira of the Federação Cooperativa Crédito Hanai Malu (National Federation Credit Union Hanai Malu) is elected as Chairman of the National Confederation of Cooperatives in Timor Leste at the general meeting held on the capital Dili on November 11. The confederation is the apex organization for all types of cooperatives. Mr. Ferreira also serves as a Parliament Member of Timor Leste.

On a seminar organized by the federation on November 17, ACCU CEO Ranjith Hettiarachchi shared the basic tools for credit union development to 30 credit union leaders and students learning cooperatives. The CEO indicated that ACCU is willing to support the federation on the deployment of the tools to its members. Almost 50% of the 120 cooperatives registered in Timor Leste are credit unions.

# FSCT's National Savings Day Message: Compassion as Moral Value

Promoting the principles of the Self-Sufficiency Economy conceptualized by Thailand's His Majesty King Bhumibol Adulyadej, the Federation of Savings and Credit Cooperatives of Thailand (FSCT) observed the National Savings Day on November 2 at Nakhon Sawan province in Thailand. In 1998, the Royal Thai government declared October 20 as the National Savings Day, however, FSCT opted to celebrate it on November 2.

FSCT has chosen 'compassion or caring or selfless' as the moral value for this year's celebration. "Reminding our members of the cooperative values will make our leaders and members deeply rooted cooperative people," said FSCT General Manager Anan Chatrurachewin.

The whole day celebration kicked off with the National Savings Day parade participated by 900 members, non-members and students. It was graced by the Mayor of Nakhon Sawan Mr. Jittahkasem. The seminar that followed was attended by more than 1,000 coop members who listened from



Dr. Phurichai Rungcharoenkitkul of the Bank of Thailand who discussed how to "Keep an eye on the 2014 economy and the trend in interest rates." Thai famous talk show host Dr. Apichart Khamdee inspired the participants on the topic "Cooperative Ideology for you." More than 3,000 cooperative leaders and members across Thailand's attended the celebration that culminated with a gala dinner.

"The celebration was an excellent occasion to honor the members who excel in inculcating saving habit to their members, according to FSCT President Dr. Chalernpol Dulsamphant. Approximately 8,000 cooperatives with 8 million members have mobilized 9 billion baht in savings. Increase



in savings as compared to the previous year has been registered at 6.83% shared Dr. Chalernpol. Savings is the member's demonstration of the cooperative value of 'self-help.' It is a discipline and a way of life that a cooperative has to inculcate to its members for their long-term well being.

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- Define the duties and responsibilities of the Audit/Supervisory Committee
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- Adopt tool in evaluating the internal control system
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- Assess the efficiency of the Audit/Supervisory Committee in credit union



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*Inclusive of training kits, field trip, meals & accommodation during the training.*

## Exposure Programs: In pursuit for greater knowledge on CUs



### CULROC Exposure Program:

(1st) Nine credit union professionals from Mongolia, Philippines, Thailand and Singapore attended the credit union exposure program on November 8 to 9 hosted by the Credit Union League of the Republic of China (CULROC-Taiwan). The program was an exchange of best practices and challenges of host and participating countries. Sanya CU, Haisin CU and Sifan CU welcomed the group. The group discussed poverty alleviation programs at Chi Nan University and Feng Chia University.



### CARD-MRI, Philippines:

(2nd) ACCU welcomed the Board of Trustees of CARD-MRI, an affiliate member of ACCU in the Philippines on November 21 on their study visit to Thailand. Though an MFI, CARD-MRI applies the member-owned principle. U-Life, CULT, Soon Klan Thewa CU and St. Peter CU welcomed the group.



### SANASA Board:

(3rd) The Board of Directors and senior staff of SANASA Federation, a regular member of ACCU visited on November 29 showing its support and continuing partnership in promoting and strengthening credit unions in Sri Lanka.

## Youth Programs in Asian CUs Shared at ICA Global Meet in Cape Town

Having elected as the Chairperson of the ICA-Asia Pacific's Youth Committee as ACCU representative, Dr. Sukesh Zamwar, CEO of Maharashtra State Federation of Cooperative Credit Society (MAFCOCS) shared the initiatives of Asian credit unions and cooperatives to ensure youth involvement at the networking meeting in Cape Town on November 2. He is also elected as a member of the Global Youth Committee at the Cape Town meeting representing ACCU. Persons up to 40 years can represent at the ICA's

youth committee, the meeting concluded according to Dr. Sukesh. The United Nations, for statistical consistency across regions, defines 'youth' as those persons between the ages of 15 and 24 years, without prejudice to other definitions by Member States according to UNESCO website. However, UN for its activities at the national level, for example when implementing a local community youth programme, "youth" may be understood in a more flexible manner, as the case of ICA.



*Dr. Sukesh presenting at ICA Global Meet. He attended the Youth Meeting and the General Assembly of the International Co-operative Alliance.*



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**Asian Credit Union Institute, ACUI**, is the E-learning platform developed by ACCU in order to provide knowledge, information, skills and social networking within the course to develop skillful credit unions' Director, CEO, Audit / Supervisory Committee and Loan Officer who is able to cope with current dynamic environment and market encountered nowadays.



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