

# ACCUnews<sup>®</sup>

Quarterly Publication of the Association of Asian Confederation of Credit Unions

July to September 2008

Credit Union



People Helping People



Her Royal Highness Maha Chakri Sirindhorn presided the Opening of FSCT's Building - a symbol of success and hallmark of unity of the Thai Savings and Credit Cooperatives



33 New Asian DEs join the rank

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 34.9 individual members from 49,176 credit unions in 23 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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## SOLICITING INPUTS for 2009-2013 ROAD MAP

ACCU is currently soliciting inputs for the 2009-2013 Road Map of the Asian Credit Union Movement. We are in the process of critical examination to probe the existing or perceived Strengths, Weaknesses, Threats and Opportunities of credit unions. The CEOs Advisory Committee of ACCU is meeting in September 23, 2008 in Dhaka, Bangladesh. We will start to put our heads together to ensure that the Asian Credit Union Road Map is in response to the challenges and introducing innovation for credit union growth and competitiveness. Your inputs are most welcome. Please e-mail us: [accu@aaccu.coop](mailto:accu@aaccu.coop)

# OUTLOOK

## President's Message:

*"There should be a strong connection between happy employees and satisfied members"*



There should be a strong connection between happy employees and satisfied members said ACCU President Mr. Oh-man Kwon to ACCU staff on his visit in Bangkok office on May 26, 2008. He said people who normally feel good about their jobs produce quality work and positive feedback from their members. He explained that many people find that working toward, and achieving, challenging goals is often personally satisfying. True to credit unions, employee commitment plays a major role in delivering a great member experience, which leads to their satisfaction, commitment, and improved business performance said Mr. Kwon.

The President thanked ACCU staff for working hard and building teamwork to deliver services to members in 22 countries in Asia. He expressed his support to the management by providing broader organizational policies to fulfill the mission of ACCU and its long-term vision.

Despite his demanding schedule, the President spent quality time with ACCU staff after attending the opening of the new building of FSCT.

He visited the Credit Union League of Thailand (CULT) after visiting ACCU. In CULT, the NACUFOK Exposure program alumni welcomed the President together with the newly elect President Mr. Suriya Montripak. CULT staff conveyed their sincere thanks to NACUFOK for enhancing their outlook on credit union development. The President culminated his visit with an informal dinner meeting with the key officials of FSCT headed by President, Mr. Chalernpol Dulsamphant.

## Regional Event

*Asian Development Education Program - a unique educational and transformational experience for credit union leaders and professionals*

# Asian DE, a Decade of Passion That Drives to Learning



ACCU celebrated the 10<sup>th</sup> year anniversary of the Development Education Program with the 10<sup>th</sup> Batch (June 8-12, Bangkok, Thailand) comprising of 33 participants from — countries – the largest group ever! ACCU is proud of the 295 Development Educators who graduated from the 10 batches.



The Asian DE program shares the unique experience and culture of Development Educators extending to every part of Asia Pacific and Africa (*Australia, Bangladesh, Fiji, Philippines, Taiwan, Thailand, Sri Lanka, Malaysia, Mauritius, Nepal, Singapore, Indonesia, Cambodia, Hong Kong and Korea*). Asian DE program emphasizes on the enhancement of presentation skills and provides inputs on the burning issues affecting the viability and growth of credit unions. Understanding the development issues will keep the DEs more appreciative on the value of their jobs as they play an important role in building strong financial cooperatives for the community. The DEs turned passionate on distinct value of the credit unions in helping members reach their financial destination and ultimately realizing their dreams.



With the support of all members, ACCU is facing a new decade of commitment to offer this unique educational and transformational experience for credit union leaders and professionals in Asia through the DE program.



### “ THE CALLING:

It is said that many are called but few are chosen. It may not be for everyone to deeply feel the urgency for an unselfish service for the greater good nevertheless it is for everybody to feel the level of awareness that may be enough to spread the word because out of the abundance of the heart, the mouth will surely speak.

DE workshop creates awareness to those who are already in the movement to make them more convince to the Credit Union, equipped them for obstacles ahead, and sustain them to move them forward and finally “Creating a Real Difference in their communities”.

I know there are still many, many things to do out there. Only those who are going to step forward and say “Yes” are the ones who will get treasures in heaven. They are the ones who can outlive their lives because they will be remembered. They will be honored. Thus, for the knowledge and for everything... Thank you ACCU. ”

**Toti Patrimonio, DE 10<sup>th</sup> Batch 2008** source: <http://de-accu.blogspot.com/>





## CUCCC - Back to Basics

As part of the strategy on Changing Leadership Competency of the Strategic Plan of ACCU, a regional Credit Union CEOs Competency Course was held on June 13-18 in Bangkok, Thailand. Attending 24 CEOs and senior staff of credit unions from Indonesia, Mauritius, Nepal, Philippines, and Sri Lanka recognized the need for a basic training for CEOs to tailor their academic and practical experiences in line with credit union mission and goals.

The 10-module course is basic competence and knowledge required by CEOs. “Though the CUCCC subjects are basic, we were surprised that our practices are not up to the standards,” said Albert Chong of Indonesia. The training presented equally important discoveries that occur when CEOs explore sound business practices, innovation and market realities. Each discovery offers fresh opportunities, whether they are inside or outside of their work. CUCCC is a comprehensive course to channel CEOs energies in meeting the expectations of their Boards, members and employees.

ACCU recognizes the need for continuing professional development of CEOs to ensure that they are able to respond in today’s highly unpredictable environment. Finally, there is silver lining behind this expectations set before CEOs and Directors alike. Ranjith Hettiarachchi, ACCU CEO indicated that the 2009-2011 strategic plan of ACCU will incorporate the development of training modules for the continuing professional growth of both CEOs and Directors of credit unions.

ACCU has developed CUCCC Trainers Manual as *Credit Union Solution No. 6* bearing in mind the diversity of experience and culture in Asia. This course combines elements of pre and post-course projects, presentation, group discussion, case study examination and syndicate/team exercises. This toolkit would enable the trainers of ACCU’s member organizations to deliver the course with minimum supervision. The manual is a complete guide, which includes Lesson Plans, PowerPoint and Handouts with pre-course and post-course project work.

ACCU members in the Philippines - PFCCO and NATCCO, have successfully adopted CUCCC and CUDCC on a fee basis. More than 500 credit union Directors and CEOs were trained by both federations. The courses are the first ever-comprehensive training for CEOs and Directors.



## Regional Event

*FSCT's new building is a hallmark of unity and strength of the Savings & Cooperative movement of Thailand - a demonstration of commitment to environmental stewardship.*

# HRH Maha Chakri Sirindhon Presides FSCT's New Building Opening



Members of the Federation of Savings and Credit Cooperatives of Thailand (FSCT) from across the country gathered on May 26 to witness the opening of the new office building of the federation. The crowd of approximately 3,000 leaders from Thailand and international guests cheerfully welcomed Her Royal Highness Princess Maha Chakri Sirindhon who presided the event.

FSCT's office building serves as center for savings and credit cooperatives in the country. Uniquely designed to respond to modern business environment, the new 8-storey building is located at Nakornin Rd. Bangsrithong Sub-District, Bangkruey District, Nontaburi Province. Placing an important value on environmental stewardship is the distinctive feature of the building - energy saving and environment protection structures. The total cost of the property is 352 million Baht or US\$10.7 million. The building design reduced the size of air conditioning system by 170 tons less than the regular design of 280 tons. Owing to maximized use of natural lights, light bulbs utilization is reduced by 7.28 watts per square meter. With properly planned architectural design, FSCT can save electricity cost by Baht 2.26 million/year or US\$ 68,000.

Some of the features include the choice of building materials that reduce heat, water-recycling systems, and landscaping that promotes savings of energy and its round shape.

According to General Manager Mr. Anan Chatrurachewin, FSCT has a major role to play in helping protect and enhance the environment, in line with wider goals of sustainable development and corporate social responsibility. He said the building has minimized pollution as compared with the ordinary building design. It is the responsibility of every organization to pay attention to environment according to Anan. FSCT hopes the office building will have greater benefit besides being the center of sustainable and safe savings and credit cooperatives. The building demonstrates FSCT's highest commitment to environmental stewardship. FSCT, in its own modest way, has demonstrated to the public its contribution to reduce global warming.

ACCU President Mr. Oh-man Kwon joined the ceremony along with the Vice-President and Treasurer of CULHK Mr. John Kwok and Ms. Cecilia respectively.

# Stabilization Fund for the Philippine Cooperatives is Underway

Member Event

## PFCCO GENERAL MEETING APPROVES:

The Philippine Federation of Credit Cooperatives' (PFCCO) Annual General Assembly on April 25 approved the implementation of Stabilization Fund for the network. Prior to the General Meeting, ACCU technical staffs were resource persons on two topics at the educational forum – Governance Framework and Stabilization Fund. The objectives and benefits of Stabilization Fund were discussed at the forum. The CEO of ACCU, Ranjith Hettiarachchi emphasized the need for a national reserve fund to protect the whole credit union system. Members of PFCCO agreed that the failure of one cooperative has a negative impact on the image and public trust to the entire cooperative system.

Meanwhile, the Forum theme was Creating Credit Union Superior Value, a replication of the ACCU Forum 2007 in Bali. According to the General Manager, Dave Pajaron, Jr., PFCCO ensures that their members are updated on the issues and topics discussed at Asia level. He said it is in recognition that only limited leaders can join an international program.

## NATCCO LAUNCHES:

On a separate occasion, ACCU participated in the launching of the NATCCO network's Stabilization Fund held during its Educational Forum and General Meeting on May 22-24 in Baguio City. The objective of the Fund is to protect the credit union from insolvency and ensures its continuing operation whenever possible.

At the launching, two coops - St. Martin of Tours Credit and Development Cooperative for Pesos 500,000 and MSU-IIT Multi-purpose Cooperative for Pesos 250,000 as initial contribution to the Fund.

## REQUISITE FOR STABILIZATION FUND:

A requirement for Stabilization Fund is a robust in-system mechanism to supervise credit unions. ACCU is developing the manual for Credit Union Risk Based Supervision Service (CURBSS) to ensure the strict compliance of cooperatives on standards and mitigation of risks warranting its safety and soundness. The risk based supervision identify the key risks to which the industry and individual credit unions are exposed; assess the risk mitigation techniques that are used to manage these risks; assess the net risk exposure that emerges in terms of its level and volatility; and focus the supervisory effort on the most significant risk exposures.

ACCU recognizes that traditional supervisory approach has been to review the operations of credit union to ensure that it complies with the legislation and regulations and to ensure that the financial statements meet the requirements of the reporting methodology and to ensure that the results are an accurate representation of the facts. However, this method of supervision does not necessarily assess the risk posed to credit unions, which may in entirety affects the long-term sustainability of the organization.



NATCCO



PFCCO

## Member Events

### Development Educator Ms. Kruewan Chonlai Appointed as AWCF Chairperson



The Board of Trustees of the Asian Women in Co-operative Development Forum (AWCF) appointed Ms. Kruewan Boonrin Chonlanai as its new Chairperson.

Ms. Kruewan has been working for CULT for almost 18 years now starting as Training Staff of the Education Department (1990-1994), then became Education Manager (1995-2004), then Executive Secretary to the General Manager (2005-2006), and currently as Head of the General Manager's Office (2006-present).

Ms. Chonlanai is a Development Educator. She earned her DE title from Australia in 2003 and from Asia in 2005.



*IACUFEZ General Director Ekaterina V. Ovchinnikova (standing) explaining the importance of enabling policy environment for credit unions at the roundtable discussion.*

## IACUFEZ takes the Lead in the Microfinance Conference in Khabarovsk Russia

The Interregional Association of Credit Unions of the Far East and Zabaikalya (IACUFEZ) organized the second International Microfinancing Conference on June 19-20, 2008 in partnership with ACCU, Interregional Association of Economic Cooperation of Subjects of Russian Federation "Far East and Transbaikalia", the Ministry of Economic Development and International Relations of Khabarovsk Region and the National Union of the Non-commercial Organizations for the Financial Mutual Aid organized.

The conference featured experiences of Asian credit unions on microfinancing small enterprises. CEO Ranjith Hettiarachchi shared the microfinance services of credit unions in Asia particularly its achievements and challenges. Mr. Hettiarachchi also chaired one of the

three roundtable discussions on Stabilization Fund where he pointed out the importance of have a national reserve fund for credit unions to protect credit unions from bankruptcy. Mr. Hettiarachchi underscored the need for credit unions to adopt robust risk management policies in the credit union to ensure its safety and soundness. The other two roundtable discussions reviewed the Credit Union Law and products & services.

Some 160 delegates from Russian governments, regulators, microfinance practitioners, credit union CEOs and volunteers attended the conference. The conference culminated with a Resolution executed by the organizations involved – government and credit unions to review the credit union law and microfinance programs aimed at offering added flexibility and innovative services to low-income people.



# Mauritius

## Credit Cooperatives Embrace 5% Market Share Challenge



Permanent Secretary

In a country of 1.3 million population, 65,000 members of credit cooperatives is about 20% membership penetration. Nevertheless, the Minister of Industry, Small and Medium Enterprises, Commerce and Cooperatives presented a challenge to savings and credit cooperatives to target for a 5% share in the financial market. Currently, the share of credit cooperative unions (CCUs) is less than 1%.

ACCU CEO Ranjith Hettiarachchi said his two days workshop with the cooperative department and consultations with regulators and credit union leaders displayed an enormous enthusiasm on the part of the Mauritians to improve the performance of CCUs.

Mr. Hettiarachchi said he submitted a paper to the Ministry at the end of his trip providing them some recommendations on

how to achieve their target. Mr. Hettiarachchi shared sound business practices ACCU had introduced to Asian credit unions such as ACCESS Branding, Competency Courses for Directors and CEOs, Prudential Standards and Stabilization Fund.

ACCU's first time visit to Mauritius on June 28 to July 4 expands its working collaboration with its two Affiliate members in Mauritius – Vacoas Popular Multi-purpose Cooperative and the Mauritius Cooperative Credit and Savings League. Mr. Hettiarachchi said ACCU is willing to provide technical assistance when necessary. Although geographically located in Africa, the two members find cultural connections in ACCU family. The African Confederation of Credit and Savings Cooperatives, the regional body of credit unions in Africa ceased operation some 10 years ago.

## Member Events

### FACTS ABOUT MAURITIUS



- Location: Southern Africa, island in the Indian Ocean, east of Madagascar
- Total area: 2,040 sq km land: 2,030 sq km water: 10 sq km
- Area-Comparative: almost 11 times the size of Washington, DC
- Population: 1,274,189 (July 2008 est.)
- Nationality: Mauritian(s)
- Languages: Creole 80.5%, Bhojपुरी 12.1%, French 3.4%, English (official; spoken by less than 1% of the population), other 3.7%, unspecified 0.3% (2000 census)
- Capital: Port Louis
- GDP per capital (PPP): US\$ 11,200 (2007 est.)
- Population below Poverty line: 8% (2006 est.)
- Literacy Rate: 88.4%
- Religion: Hindu 48%, Roman Catholic 23.6%, Muslim 16.6%, other Christian 8.6%, other 2.5%, unspecified 0.3%, none 0.4% (2000 census)

Source: World Fact Book 2008

## Member Events

### CUMI Summit Emphasized Credit Union Commitment to MDGs



*Credit Union Directors and Managers attending the CUMI Summit in Northern Mindanao in the Philippines*

ACCU in collaboration with PFCCO Mindanao League held a two day CUMI Summit in Cagayan de Oro City, Philippines on April 21-22 attended by 130 Directors, General Managers and staff of about 60 cooperatives. Having understood the poverty scenario in the Philippines and the world's biggest promise – Millennium Development Goals, attendees recognized the significance of opening up their doors for the poor and low-income people. The signing of Summit Declaration concluded the conference. The declaration spelled out the commitment of cooperatives in significantly reaching out the low-income people of the community part of their social responsibility and contribution to MDG.

PFCCO General Manager, Dave Pajaron, Jr. shared that after the Summit, PFCCO Mindanao League had received Board resolutions from about 12 cooperatives expressing their intention to enter into partnership with PFCCO to implement the CUMI program. Mr. Pajaron said the PFCCO General Assembly passed a resolution that all credit cooperatives under PFCCO network should implement the Credit Union Microfinance Innovation program.



### ACCU Receives Recognition Award from CULT

ACCU was pleased to receive a service recognition award from the Credit Union League of Thailand (CULT) presented at the General Meeting on April 26. The award was bestowed in appreciation of ACCU's excellent services to CULT and recognition of fruitful membership relationship. ACCU supports CULT's Youth, women and institutional development programs. ACCU CEO receives the award from the former Minister of the Prime Minister's Office of Thailand, Assoc. Prof. Dr. Theerapat Serirngsan.

Prior to the General Meeting, CULT also organized a Forum on April 24-25 participated by credit union delegates across the country.



**Token of Friendship:** NEFSCUN Chairperson Mr. Min Raj Kadel presents a souvenir to the Chairperson of CCULB Mr. John F. Rodrigues

## CCULB-NEFSCUN Mutual Exchange Builds Connection with Coop Regulators

The sixth CCULB Exposure Program was held on May 21 to May 28, 2008 in Nepal. Team of Fifteen delegates from Bangladesh headed by CCULB Chairperson Mr. John F. Rodrigues and MD.Sajduzzaman, Additional Registrar of the Cooperative Department of Bangladesh led the group in visiting seven Savings and Credit Cooperatives Unions (SACCOS) in different districts of Nepal.

NEFSCUN Vice-Chair, Mr. Rishi Raj Ghimire, in his welcome address at the opening program indicated that the exchange of experience and knowledge of both countries would be more practical because of its similarities in culture. He also cited the importance of the participation of three cooperative regulators in the program. The exposure provides insights on the regulatory environment needed by SACCOS to grow and sustain. The CCULB exposure group also visited the Cooperative Department

where discussions on the regulatory framework of each country were shared. The Registrar himself, Mr. Tanka Mani Sharma, welcomed the group.

CCULB Chairperson Mr. John F. Rodrigues expressed the group's satisfaction on the learning and experiences gained as well as the warm hospitality of the Nepalese hosts. Meanwhile, the Chairman of NEFSCUN underscored the importance of Mutual Exposure Program and its continuity. CCULB and NEFSCUN's partnership provides an opportunity for credit union volunteers, regulators and employees to learn best practices on regulations and credit union operations through the annual mutual exposure program.

NACUFOK, CULROC and CULT are also providing learning opportunity to ACCU members through the annual exposure program.

## Member Events

### Newly Elected Chairpersons of ACCU Member Organizations



Mr. Suriya Montripak - Credit Union League of Thailand (CULT)



Mr. Rito Fabella - Philippine Federation of Credit Cooperatives (PFCCO)



Engr. Jose R. Ping-ay - National Confederation of Cooperatives (NATCCO)

# TIMETABLE

## Indochina CU Regulators Conference

Attendees are the credit union/cooperative regulators from Mongolia, Laos, Cambodia and Vietnam. The conference advocates enabling policy environment for growing credit unions in countries in transition. The conference will also showcase the Vietnam People's Credit Fund and the regulatory support of the government.

**When:** July 28-August 1, 2008

**Where:** Hanoi, Vietnam

## Pre-Forum Conferences in Bangladesh

- **CEOs** - A Destination of Choice, Not Chance
- **HRD** - In-System Supervision of Credit Unions
- **YOUTH** - Winning the Hearts of the Future Adult Market
- **WOMEN** - Intensifying Women Empowerment through CUMI

**When:** September 22-24, 2008

**Where:** Dhaka, Bangladesh

# Join us!

*Register Now, Limited slots available*

## ASIAN CREDIT UNION FORUM 2008

*Credit Unions Growing to  
New Heights*

September 25-27

**Dhaka Sheraton Hotel, BANGLADESH**

Organized by:



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