

ACCU *news*



Quarterly Publication of the Association of Asian Confederation of Credit Unions

July to September 2009

Volume 38 Issue No. 3

CREDIT UNION



People Helping People Help Themselves



4th CU/Coop Regulators Conference



11th Development Education Workshop

Register Now!

Limited Slots are available for the Asian Credit Union Forum 2009 - 24 to 26 September, Bangkok, Thailand for more details, e-mail us at: accu@aaccu.coop

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.



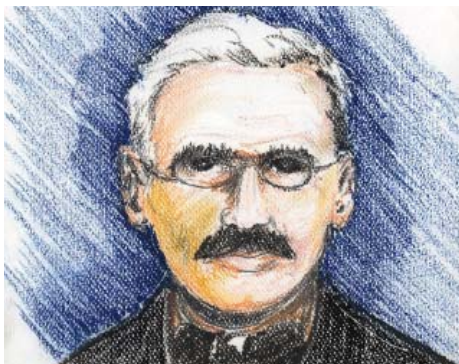
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ASIAN CREDIT UNION FORUM 2009
 24-26 September
Outsmarting the Impacts of the Global Financial Crisis
 Pre-Conference on CEOs, HRD, Youth and Women
 21-23 September

MAKING A LIFE BETTER FOR THE POOR? Paglaum MPC Experience

Certainly YES! And Paglaum Multi-Purpose Cooperative (PMPC) in the Philippines makes it happen. It has touched the lives and gives hope to more than 30,000 poorest Filipinos in Mindanao (south of Manila). Armed with passion, PMPC reaches to people with disabilities, indigenous people and people in inaccessible communities to present them fuller opportunities and better lives.



PMPC Staff members with General Manager Mr. Gadwin E. Handumon

As Paglaum means 'hope' [in local dialect], PMPC emerges as hope of the once struggling cooperative movement in Misamis Occidental; at the town of Plaridel; and of the thirty five (35) industrious, visionary and hopeful leaders. At the staff congress on July 11, Misamis Occidental Governor Loreto Leo S. Ocampos exemplified high regard for PMPC for its role in helping ordinary people achieve their dreams. With the work of Paglaum in alleviating poverty, Misamis Occidental is no longer considered as the 7th poorest province in the country, the Governor added.

PMPC exists for a special purpose of having dreams fulfilled, and meeting expectations and aspirations of its members - the original mission of a credit union. It started to bring hope, fulfilling its role as the livelihood arm of the Paglaum Community Development Foundation that seeks to uplift the quality of life of the people in the underprivileged communities in Plaridel, Misamis Occidental. It is anchored on self-reliance, building self-directives, and creating self-generative members. It also assists in the full development of the poorest of the poor in the community by helping them help themselves.

First ventured into rice trading, PMPC continued to expand its services as it specially offers microfinance program for person with disabilities (PWDs).

Often discriminated in the society, this vulnerable sector has been misjudged as less productive. But as the challenge of carrying out the mission of hope is deeply embedded in the heart of every PMPC members, PWDs have been given extra special attention having been provided the means of unfolding of a

beautiful story that touched their lives as they continue to live more sufficiently.

PMPC has brought its services to the Indigenous People (IPs) of Misamis Occidental, Zamboanga del Norte and Zamboanga del Sur. Most often, farm products of IPs are bought at very low price by middlemen traders. PMPC is in rescue as it brings its services of financial management, entrepreneurial training, financial services and education on financial literacy.

Services, teachings, and deeds more worthy than commendations, citations and awards that they have reaped over the years, the PMPC continues to sow for there is no stopping in reaching out to others, offering the much needed hope to rise up above the challenges of the trying times. Basically, giving hope to the seemingly hopeless is the mission and objective of PMPC. Being true to its cooperative mission, PMPC has tremendous experience to offer to Asian credit unions. PMPC is a Supporter Member of ACCU since 2008.

2008 PERFORMANCE

25,833 Members
US\$ 5.5 million Loans released
US\$ 1 million Savings Generated
US\$.88 million Share Capital
US\$ 3.6 million Total Assets
9 branches and 2 satellite offices

31 DEs Raise Passion to Credit Union Mission in the 11th DE Workshop



Understanding the development issues will keep the DEs more appreciative of the value of their jobs as they play an important role in building strong credit unions.

The steadfast emphasis of the credit union mission at the 11th Development Education Workshop on June 26 to 30 has retooled the 31 new Development Educators to advocate credit unions enthusiastically. The credit union mission of Helping People Help Themselves was the anchor of all the development issues deliberated at the workshop.

“It looks like a bomb exploded in the middle of the room,” said Imeeh a DE participant from the Philippines. She was referring to the reality check as to whether credit unions are demonstrating their mission in their operations. The DEs recognized that the products and services of credit unions are means to an end, and the end was for members to reach

financial independence enabling them to act by themselves and improve their physical and moral values. Examples cited by some DEs revealed that instead of creating wealth for members, the products currently offered by some credit unions are creating more debts for members - making them poorer. The DEs felt the enormous task to advocate the profound understanding of the credit union mission and its translation in the services provided to members. Credit unions help members take a pledge on the road to establishing their financial wellness.

Participants were from Australia, Bangladesh, Indonesia, Philippines, Singapore and Thailand. The 31 new DEs joined the rank – now **326!**

The Development Educator designation is a prestigious title earned after attending an intensive personal motivation and awareness raising process that begins with the participation in a five day-residential workshop conducted by the Association of Asian Confederation of Credit Unions. DEs walked away with an outstanding experience focused on presentation skills, credit union development and role of credit unions in poverty alleviation. DE graduates are passionate in demonstrating their commitment to credit unions and more appreciative of their role either as volunteers or professionals.

They have performed extremely well in their presentations, developed self-confidence, and widened understanding of global credit union system and issues.

The Asian Development Education Program started in 1999. ACCU, after attending the Australian DE Program has generated tremendous motivation and obligation to replicate the Australian DEP in Asia. Three



other DE programs are also running in Australia, USA and UK.

The Asian DE program shares the unique experience and culture of Development Educators extending to every part of Asia Pacific and Africa (Australia, Bangladesh, Cambodia, Fiji, Hong Kong, Indonesia, Malaysia, Mauritius, Nepal, Korea, Philippines, Sri Lanka, Singapore, Taiwan, and Thailand). The 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 of the value of their jobs as they play an important role in building strong credit unions. With the support of all members, ACCU is even more committed to offer this unique educational and transformational experience for credit union leaders and professionals in Asia through the DE program.





ACCRA Formed at the 4th Credit Union/Cooperative Regulators Conference in Bangkok



Mr. Benny Popoitai, Deputy Governor, Bank of Papua New Guinea and Mr. Untung Tri Basuki, Deputy Minister for Institutional Development, The State Ministry of Cooperatives and SMEs, Indonesia

Renowned as the world of ACCU acronyms for prudential standards (such as PEARLS-HIMAL, PEARLS-GOLD, PEARLS-RUPEES, GLARES, COOP-PESOS), ACCRA is added for the regulators to keep in mind. ACCRA (Asian Credit Union/Cooperative Regulators Alliance) was formed at the 4th Regulators Conference held in Bangkok on May 15-18, 2009.

Attended by 42 regulators and CEOs of ACCU member organizations in 13 countries, the regulators recognized

the need to institutionalize a network that will serve as platform for them to continue the dialogue, collaboration and exchange of regulation and best supervision practice, share information and technology. The regulators commit on behalf of their institutions to actively participate and involve in all the undertakings in ACCRA on its yearly gathering.

ACCU Chief Executive Officer Ranjith Hettiarachchi reported the milestones of the past regulators conference in 2003, 2005 and 2007. It was evident

The combined work of ACCU and its member organizations brought about changes in the ways cooperative regulators support credit union development. This was evident in the way regulators see the role of the national federations as partners in promoting prudential norms for credit unions and demonstrates new development possibilities, in which member organizations of ACCU are the leading actors.

that Bangladesh, Hong Kong, Nepal, Philippines, Sri Lanka, and Thailand have adopted prudential standards to monitor credit unions Mr. Hettiarachchi said. He also expressed high recognition on benchmarks and prudent management as critical factors to maintain good governance in credit unions. Benchmark is not to control credit unions but to ensure that the public put their trust to coop organizations and protect their interests he added.

Meanwhile, in the 2007 Bangkok Declaration, the regulators recognized the efforts made by ACCU and its members to self-regulate the credit unions through the competency courses for Board and CEOs, Stabilization Fund and ACCESS Branding. The regulators suggest that these tools become administrative requirements for credit unions. The fourth Conference considered the urgent need to promote a separate law for credit unions, shared the

Mr. Ganesh Raj Karkee, Acting Registrar, Department of Co-operatives of Nepal, Ministry of Agriculture & Co-operatives



Ms. Lecira V. Juarez, Chairperson, Cooperative Development Authority of the Philippines and Mr. Wilfredo Dimamay, Chief Operations Officer, NATCCO

progress on the implementation of the 2007 Action Plan, regulatory initiatives and best practices. The CEO of National Credit Union Federation of Korea (NACUFOK) Mr. Sung-hee Lee invited the regulators for an exposure to Korean credit unions sometime in March or April 2010. Korean credit union movement is a model for Asian credit unions in both regulations and professional operations.

The conference culminated with the Bangkok Declaration 2009 that affirmed a higher level of commitment of the regulators to work for enabling policy and regulatory environment for credit unions. The Declaration recognized the remarkable initiatives

Md. Jahangir Hossain, Additional Registrar, Government Services, Department of Cooperatives and Mr. Ratan F. Costa, General Manager, CCULB



Ms. Louise Petschler, Chief Executive Officer, Abacus - Australian Mutuals

of the Asian credit unions in their goal to build sustainable credit union system in Asia, particularly the standardization, risk based supervision, stabilization fund, competency courses and branding. The regulators stated to support, complement and endorse the credit union movement's initiatives.

The combined work of ACCU and its member organizations brought about changes in the ways cooperative regulators support credit union development. This was evident in the way regulators see the role of the national federations as partners in promoting prudential norms for credit unions and demonstrates new development possibilities, in which member organizations of ACCU are the leading actors.

Finally, ACCU willingly accepted the regulators gracious request to take on the responsibility as facilitator and secretariat for ACCRA.

International Day of Cooperatives, 4 July 2009

Theme: “Driving Global Recovery through Cooperatives”



Annual General Meeting in Bhindavasini SACCO (Nepal): Cooperatives emerged to help poor households escape the debt trap and provide access to better quality goods and services.

In resolution 47/90 of 16 December 1992, the United Nations General Assembly proclaims “the first Saturday of July 1995 to be International Day of Cooperatives, marking the centenary of the establishment of the International Cooperative Alliance, and decides to consider the possibility of observing an international day of cooperatives in future years ...”

This year's International Day theme focuses on recovery rather than crisis. It aims to highlight the role that cooperatives have in not only promoting economic growth, but also

in promoting ethical values - values that have been severely challenged during the financial and food crisis. It underlines that cooperatives can effectively contribute to global economic recovery and that they will do so in respect of the Cooperative Values and Principles which guide their operations.

The theme also allows stakeholders to address the response of the cooperative movement to crisis - financial, food, values. *source: <http://www.un.org/esa/socdev/social/intldays/IntlCoops/>*

UN Secretary-General Ban Ki-moon's message on the International Day of Cooperatives July 4, 2009

The first cooperatives were born more than two hundred years ago when rural entrepreneurs and farmers decided to pool resources and help one another to overcome their limited access to commercial opportunities. Subsequently, retail cooperatives emerged to help poor households escape the debt trap and provide access to better quality goods and services. Cooperatives have since developed in many areas, from manufacturing to financial services, spurred by the desire for a more equitable way of working and doing business.

At a time of global economic distress, this history deserves to be more widely known. The theme of this year's observance of the International Day of Cooperatives – “Driving Global Recovery Through Cooperatives” – highlights the value of cooperative enterprise. Cooperatives can strengthen the resilience of the vulnerable. They can help to establish more balanced markets for small farmers and give small entrepreneurs access to financial services. They can create job opportunities and improve working conditions.

The economic model of cooperatives is based not on charity but on self-help and reciprocity. In countries hit by the financial crisis, the cooperative bank and credit union sector expanded lending when other financial institutions had to cut back, easing the impact of the credit freeze on the most vulnerable. This highlights the importance of strong alternative business models and institutional diversity for the resilience of the financial system.

Cooperatives deserve greater support. I urge Governments to adopt policies that support the establishment and development of cooperatives. Consumers, too, can help by buying food produced by small-holder cooperatives that is traded in fair markets.

In the face of the current economic crisis, communities around the world are rediscovering the critical necessity to work for the common good. On this International Day, I encourage Governments and civil society everywhere to recognize the effectiveness of cooperatives and to engage with them as vital partners for global recovery and achieving internationally agreed development goals.

Growing Cooperation:

Asian Credit Unions Welcome CARD-MRI & Tagum Coop in ACCU Family

CARD Mutually Reinforcing Institutions



CARD-MRI: The Board of ACCU approved the Affiliate membership of CARD Mutually Reinforcing Institutions in the Philippines. CARD MRI's 483 branches span the Philippines. More than 885,000 poor women are members and four million people are insured. The center's loan-repayment rate is 99.83 percent. CARD has also expanded to Cambodia and beyond. CARD-MRI receives the Ramon Magsaysay Award for Public Service in 2008 recognizing its successful

adaptation of microfinance to the Philippines, providing self-sustaining and comprehensive financial services to poor women and their families. CARD-MRI beneficiaries are considered 'members' not the conventional client status in other Microfinance Institutions. CARD-MRI collaborates with cooperatives in the Philippines in reaching the poor market segment.

Tagum Cooperative: Has enrolled as Supporter Member of ACCU as demonstration of its commitment to support international credit union development. Established in 1967, Tagum Cooperative is one of the biggest and fastest growing cooperatives in the Philippines today, registered P658 million (US\$ 14 million) in assets as of Jan. 31, 2009 and more than 38,000 members. Tagum Cooperative is service

oriented, development inspired and economically viable cooperative that is owned and managed by God-loving, responsible and pro-active members. Tagum Coop serves as an effective vehicle for members' empowerment and total human development leading to achieving abundant and happy life. ACCU 1st Vice-President Ms. Norma Pereyras is a Director of Tagum Cooperative, an affiliate of ACCU



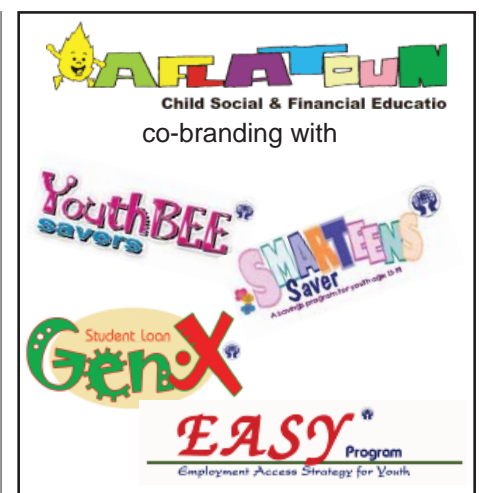
SOLIDARITY IN ACTION: Ms. Norma Pereyras of Tagum hands US\$ 500 dues contribution to ACCU President Mr. Oh-man Kwon in Bangkok, May 18, 2009. Dues paid by Supporter members goes to development work of ACCU.

Credit Unions to Intensify Social & Financial Literacy among Children

At the Mid-Campaign Meeting in Cairo, Egypt on July 5-7, 2009, ACCU signed a Memorandum of Associate Partnership with Aflatoun Child Savings International based in the Netherlands. The partnership intends to spread the message of social and financial literacy to children. "Today's economic conditions demand that we [credit unions] educate our future generations to become financially responsible adults," said ACCU CEO Mr. Ranjith Hettiarachchi. "The Aflatoun way enables us to effect positive change through social and financial understanding in a fun and engaging way," Mr. Hettiarachchi added. The social and financial

education will be added as components of the current financial products offered by credit unions to children such as Youthbee, Smarteens, GenX and EASY programs.

Through Social & Financial Education, children are empowered to make a positive change in their lives and in their communities, eventually breaking the cycle of poverty in which many find themselves affected. The National Confederation of Cooperatives (NATCCO) is already a partner of Aflatoun, while the Cooperative Credit Union League of Bangladesh (CCULB) has agreed to implement the



program immediately. The September 21-23 Youth Workshop in Bangkok will introduce Aflatoun to ACCU member organizations.

Strategic Plan 2009-2014 Approved by the Board



Seated: (L-R) Mr. Chuang Chin-sheng - 2nd VP, Mr. Oh-man Kwon - President, Ms. Norma Pereyras - 1st VP.
Standing: (L-R) Mr. Ranjith Hettiarachchi - CEO, Mr. G. Perera - Secretary, Mr. Suriya Montripak - Treasurer

The 66th Board of Directors meeting of ACCU held in Bangkok on May 18, 2009 approved the 2009-2014 ACCU Road Map commencing implementation in July 2009. The strategic direction and goals included in the plan are ACCU response to its understanding of what members and credit unions require from its regional level organization. The Strategic plan

focuses on the four perspectives: Finance, Member (Customer), Internal Business Processes and Knowledge & Learning perspectives. The achievement of the goals contributes to the achievement of the long term vision – Sustainable credit union system in Asia. Mapping the credit union future in Asia is a collaborative approach. ACCU provided a common

table for stakeholders to ensure their opinions and suggestions are considered through the CEOs of member organizations and technical persons within Asia.

The CEOs of member organizations, in their meetings on September 2008 and April 2009 provided significant suggestions on the future direction of credit union development in Asia. The recommendations of the Asian Credit Union Forum on September 2008 provided a clear glimpse of what ACCU has to focus in the next five years. Meanwhile, ACCU management in their semi-annual planning sessions held on October and December 2008 assessed the internal weaknesses and strengths of the organization and take on the inputs from members and leaders to the planning document.

Among others, the Board approved also the Policy on Microfinance Fund for Credit Unions in Asia (MiFCUA), Annual Workplan and budget.

CU Solution No. 14 - Governance Framework for Credit Unions Developed

ACCU has completed the first draft of the Governance Framework for Credit Unions that will serve as guide for individual credit unions and second level credit union organizations to assist its Board of Directors in the performance of their duties and the exercise of their responsibilities. The framework is a compilation of what has been promoted by ACCU in its training programs and Credit Union Solutions 1-13. ACCU views this framework as guideline - not rigid restraints - and believes they are evolutionary in nature. The framework is neither intended to be, nor are they, rigid rules

the Board's activities. The framework is subject to review and modification from time to time by the credit union Boards. At the workshop held in Bangkok on May 14-15, the framework was reviewed by the CEOs of ACCU member organizations. The GM of FSCT Mr. Anan Chatruracheewin appreciated the work of ACCU in taking leadership to strengthen the governance of credit unions in Asia. The inputs of the CEOs were very valuable to finalize the framework said ACCU CEO Mr. Ranjith Hettiarachchi. He also facilitated the workshop on the adoption of Good Governance



Framework on June 24 in NATCCO. The HRD Workshop on September 21-23 in Bangkok will also introduce the Governance framework to the training staff of ACCU member organizations. It is anticipated that the framework will be on ground by end of the year.

MOCCU: On the Road to Building a Strong SCU Movement

Faced with the enormous task of building the image of savings and credit unions (SCUs), the Mongolian Confederation of Cooperatives (MOCCU) finds it even more challenging to consolidate the SCU movement. For its two years operation, MOCCU has reached only 30% of the potential SCUs as members.

In the recent visit to Mongolia, ACCU shared all successful credit union movements in Asia started from first big step just like MOCCU. However, MOCCU can save time by learning from other federations. ACCU recommended translating the Credit Union Solutions developed by ACCU - a valuable resource for training and technical tools MOCCU can offer to its members and potential members.

ACCU CEO Mr. Ranjith Hettiarachchi pointed out that MOCCU has to demonstrate its value to SCUs. Its business is to strengthen the SCUs. He pointed out that strong credit unions are the foundation of a strong federation. The newly appointed CEO Ms. Battsetseg recognized the big challenge ahead but has high commitment to pursue MOCCU's mission with the support of her Board, ACCU and other development organizations.

Meanwhile, ACCU also trained 12 SCU technical persons on ACCESS branding on May 4-8. The participants volunteered to undertake ACCESS diagnostics of select credit unions. Joining on the last day of training were Chairmen and Managers of 15 credit unions who agreed to undertake



ACCESS branding process. The action plan jointly prepared by ACCESS specialist and credit unions targeted to complete the diagnostics by June 30, 2009. ACCU has planned a review meeting in October of this year to provide technical assistance in implementing ACCESS branding.

CUKK Launches the First ATM Machine in Indonesia



One hundred fifty excited members of Credit Union Keling Kumang witnessed the opening of the ATM machine in a ceremony held on June 24, 2009 in Kalimantan. Speaking at the opening program, Chairman, Mr. M. Munaldus was very delighted to inform their members that CUKK is the first credit union in Indonesia to use ATM machine to serve its members.

CUKK is a supporter member of ACCU. It is serving more than 40,000 members. CUKK's Board and management have completed the competency courses, strictly adhering to PEARLS prudential standards and ACCESS standards. "Continuous learning is our focus to be in better position to address the diverse needs of our members," said Mr. Munaldus.

TIMETABLE

Pre-Forum Workshops, Sept. 21 - 23, 2009

- **CEOs** - exclusive for CEOs/General Managers of ACCU member organizations. Theme: Sustained Action of the National Federations to Protect the Credit Union System in Asia.
- **HRD** - open for national federation/credit union staff in-charge of training or human resource development. Theme: Good Governance Framework for Credit Unions
- **Youth** - marketing staff of national federation/ credit union as recommended by ACCU member organization. Theme: Aflatoun's Child Financial & Social Education
- **Women** - women leaders & staff of national federation in-charge of women program as recommended by ACCU member organization. Theme: TOT on Women Leadership & Decision Making in Credit Unions.

67th Board of Directors Meeting

Regular Board of Directors Meeting of ACCU

When: September 22, 2009

Where: Bangkok, Thailand

Asian Credit Union Forum 2009

Theme: Outsmarting Impacts of the Global Financial Crisis

When: September 24 - 26, 2009

Where: Bangkok, Thailand

28th Annual General Meeting

Annual General Meeting of the Association of Asian Confederation of Credit Unions attended by delegates of member organizations.

When: September 27, 2009

Where: Bangkok, Thailand

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Norma Pereyras

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