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Management Report

APRIL
2020



ACCU Board Meet Online Amid COVID 19 Pandemic

Due to travel restrictions brought about by the Coronavirus pandemic, ACCU Board meeting was held online on April 7. All the Board members were in attendance: President Mr. Younsik Kim (Korea), 1st Vice-President Adjaop Lt. Gen. Dr. Weera Wongsan (Thailand) 2nd Vice-President Atty. Soledad D.V. Cabangis (Philippines) Secretary Mr. Tien Teng, WU (Taiwan), and Treasurer Mr. A.D. Walasinghe (Sri Lanka).

The Board of Directors have taken their turn to share the current country situation and discussed ACCU strategy on how it can assist member organizations in responding to the impact of COVID 19. The CEO provided the Board with scenario analysis affecting the future activities of ACCU particularly the September Asian Credit Union Forum and Annual General Meeting in Nepal.

In conjunction with the 60th Anniversary of the National Credit Union Federation of Korea, the 100th Board of Directors meeting and CEOs/Chairperson's Strategic Workshop were supposed to be held in Korea on April 18-21. It was cancelled due to the COVID 19 pandemic.



100th ACCU Board Electronic Meeting April 7, 2020





Webinar on the Response of Asian Credit Unions to COVID 19 Crisis

ACCU was grateful to 23 participants of the Webinar organized jointly by World Council of Credit Unions (WOCCU) and Association of Asian Confederation of Credit Unions (ACCU) on April 21.

The presentations by the World Council were on the 3 waves of COVID 19 impact and the regulatory responses of credit unions across the globe. The CEO of the National Confederation of Cooperatives (NATCCO) - the Philippines (Sylvia Paraguya) and CEOs of the Nepal Federation of Savings and Credit Cooperative Unions Ltd. (Shivajee Sapkota) and the National Cooperative Bank Limited – Nepal (Badri Guragain) presented the impacts and responses of their network in protecting their members against the virus.

ACCU CEO shared some of her thoughts to consider by credit unions to counter the impact of COVID 19:

Member level: apply the self-sufficiency or self-help philosophy. Had credit unions applied this principle, members would be able to cope up with the impacts of COVID 19. Our financial education suggests that members need to have at least 6 months of their family expenses as their security savings or emergency fund. During the lockdown, members are relying on government or credit union relief operations to feed their families. In coping with COVID 19 and for future emergencies, there is a need to revisit the implementation of the self-sufficiency principle to strengthen the credit union network's resilience and self-immunity.

Institutional level: credit unions must be prudent and focused on managing their cash flow. While many of your members may experience financial difficulties and default on payments in the coming months:

- There is a need to project the numbers of members who cannot make payments as it will affect the cash flows.
- Reduce expenses as much as possible
- Avoid granting new loans that would lead to over-indebtedness of members.
- Make credit available to support viable member enterprises to restart and grow business after the pandemic. The lending terms and conditions can be adjusted as the environment drastically changed during and after the pandemic.
- Institutional Capital: is the cushion of credit unions or any financial institutions during this stressful time. We see ACCU and the federations working closely with regulators to ensure credit unions are complying on IC standards.

Digital means – we need to gather our acts together to accelerate the digitization process of our credit union networks to ensure that credit unions can serve their members without disruption.

Regulators: as agreed in the Sept. 2019 workshop to strengthen our partnership with regulators and in this crisis, ACCU and its members need to reach out for the regulatory back up needed by credit unions.

The webinar provides practical inputs for the Credit Union Toolkit in Response to Pandemic. ACCU is currently developing a tool which will be shared with members. The next technical meeting will be organized in May to present the toolkit.

Here is the link to the webinar: <https://www.youtube.com/watch?v=hBt-V15jggE>

Philippine Coop Regulators Share Response to COVID 19



The webinar organized jointly by the Asian Confederation of Credit Unions (ACCU), World Council of Credit Unions (WOCCU), Cooperative Development Authority (CDA), Philippine Federation of Credit Cooperatives (PFCCO) and National Confederation of Cooperatives (NATCCO) on April 30 shared the immediate regulatory responses made by the Philippine regulators on COVID 19.

CDA, the regulatory body for cooperatives issued a memorandum circular allowing cooperatives to postpone their Annual General Assemblies until such time that the virus is contained. The regulator also encouraged cooperatives to help their members and communities using the Community Development Fund. Further, CDA has been very responsive in communicating to the cooperatives the measures taken by the government under the Enhanced Community Quarantine since March 14.

The presentation of the Vice President of WOCCU Andrew Price on the regulatory responses enable the cooperative leaders and regulators attending the webinar identify the types of guidelines cooperatives would require during the pandemic.

ACCU CEO Elenita San Roque was moderating the webinar. Here is the link to the webinar: <https://youtu.be/HWkVLoELDKc>





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