

# ACCUnews<sup>®</sup>

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*The Co-operative Movement brings together over 1 billion people around the world. The United Nations estimated in 1994 that the livelihood of nearly 3 billion people, or half of the world's population, was made secure by co-operative enterprise. - ICA*



**COOPERATIVE ENTERPRISES BUILD A BETTER WORLD**



# ACCUnews<sup>®</sup>

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 41.6 million individual members from more than 22,019 credit unions in 25 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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# Rio declaration Acknowledges Co-operatives

*Rio+20 document affirms that co-operatives are key for sustainable development*

On June 22, 2012, the co-operative movement made history with nations' signing the Rio+20 document which included a strong affirmation that co-operatives are important for agricultural development, jobs and for social development and poverty reduction.

Rio+20 is the 2012 UN Conference on Sustainable Development (UNCSD), following 20 years after the original 1992 'Earth Summit' in Rio de Janeiro, Brazil. Rio+20 was attended by 190 countries in Rio de Janeiro, Brazil, from June 20-22, 2012. The focus of the conference was to advance a "green economy" and also focus attention on creating a framework for moving forward on sustainable development.

Commenting on this important milestone, Dame Pauline Green, President of the International Co-operative Alliance (the international organization that represents co-operatives in 100 countries around the world) said: "Members and supporters of co-operatives have long known - co-ops help lift people out of poverty, advance gender equality, give back to the community and address head on the critical issues of sustainable development. What nations did in Rio today was to state that case in writing."

Betsy Dribben is the ICA Director of Policy. Having participated in the UN Rio negotiations since January 2012, Dribben noted time and again ministers and ambassadors told her that in their countries - rich or poor - cooperatives were important. She added that while negotiations were often slow and sometimes punctuated by frustration on every side, at the end of the day they could all agree 'that co-operatives build a better world'. "Just as we've been saying over and over again in this UN International Year of Co-operatives



**CUs IN CAMBODIA LIFT PEOPLE FROM POVERTY:**  
*ACCU partner in Cambodia conducts credit union orientation seminar for the villagers - the first step towards helping people help themselves and realize their dreams.*

- this values based business model can really make good things happen. Now country leaders at the Rio signing have made it clear "they finally get it."

She also noted that from the start of negotiations the Brazilian government was committed to making sure that co-operatives were a focus as a key element in advancing sustainable development. "We're grateful that even when the going got tough Brazil stood tall on pressing colleague countries to keep co-operatives wording in the text." She added that the Brazilian co-operative movement underscores just how much co-operatives can do to improve the quality of life.

Dribben also paid tribute to the Canadian delegation which began the negotiations in January at the UN in New York City by asking that support for "agricultural cooperatives" be included in the text and followed through on that commitment all the way to Rio. "They did the right thing on our wording with patience and resolve" she added. *Source: ICA*

**COOPERATIVE ENTERPRISES BUILD A BETTER WORLD**



# 12,000 Cooperative Enthusiasts Celebrate International Day of Cooperatives and IYC in India



More than 12,000 members, leaders and employees of cooperative credit societies in Maharashtra celebrated the International Day of Cooperatives and International Year of Cooperatives on July 7 in Shirdi.

The International Day of Co-operatives is celebrated on the first Saturday of July every year. Its aim is to increase awareness on co-operatives and promote the movement's successes and ideals of international solidarity, economic efficiency, equality, and world peace. The International Day also aims to strengthen and extend partnerships between the international co-operative movement and other actors, including governments, at local, national and international levels.

The Maharashtra State Federation of Cooperative Credit Societies (MAFCOCS) in collaboration with

the Cooperative Department of Maharashtra organized the big and elaborate event. The celebration was graced by the Chief Minister of Maharashtra Hon. Prithwiraj Chavan along with Maharashtra Cooperative Minister Mr. Harshwardhan Patil and other five Ministers. Hon. Chavan, in his message, highlighted that Maharashtra has the most successful cooperatives in India. It has 21,000 credit cooperative societies with 28 million members.

MAFCOCS sponsored the participation of 26 international delegates headed by ACCU President Dr. Chalernpol Dulsamphant and CEO Mr. Ranjith Hettiarachchi. The Hon. Minister spent one hour sharing experiences with international delegates from Bangladesh, Indonesia, Korea, Nepal, Philippines and Thailand. He agreed to introduce ACCESS Branding to savings and

credit cooperatives in Maharashtra. The Minister requested the Asian leaders to demonstrate the significant role of cooperatives in the global economy. The one day celebration culminated with the groundbreaking of MAFCOCS training institute.

On July 6 two conferences were held. The first discussed cooperative regulations and strategies was attended by 1,200 cooperative leaders. The second was the sharing of best practices among international delegates. Buldhana Urban Cooperative Credit Society of Maharashtra, established in 1986, shared that it now boasts 485,000 members total deposits 20 Billion (US\$ 364 million), 245 branches and 98% recovery rate on loans.

The host also introduced international guests with India's unique cultural heritage and diversity in trip to Goa.

## Asian Credit Union CEOs Hone Skills on Financial Decision Making



DID's (Développement International Desjardins) Seminar on Financial Decision Making was held on April 27 to May 1 in Bangkok, attended by 18 federations' CEOs and executives from Bangladesh, Cambodia, Indonesia, Korea, Malaysia, Mongolia, Philippines, Thailand, and Sri Lanka.

The seminar enabled the CEOs to explore and apply management strategies associated with the organization's financial situation through the available financial information and possible levers of action.

From the technical point of view, the elements of financial viability involving vertical and horizontal analysis, financial ratios and deployment indicators were taught. Concepts on delinquency and preparation of budget were also discussed.

From the point of view of strategic managements, the basic principles of empowerment, communication,

decision and action were presented by the trainer Sylvain Barette. He also underscored the Manager's role in financial decisions, levers the manager should have used to solve the problems encountered and some aspects of the change thus implemented in the manager's organization.

Meanwhile, decision making testimonials and opinions of a Desjardins were shared by Jean Coron, an expert manager himself.

At the end of the seminar, the attendees are able to interpret and analyze the financial information of an organization and make strategic and enlightened decisions aimed at improving financial performance and identify and apply relevant and adapted solutions.

DID has set up training program in strategic management composed of three 3-day seminars on Financial Decision Making, governance



and development. The CEOs are requesting DID to introduce the two solutions.

ACCU and DID recently forge partnership on credit union development in Asia. DID shares with ACCU its training resources aimed to add value to the latter's current offerings. It is anticipated that the partnership will provide continuing professional development for credit union leaders and executives.



# development education program



## 46 DEs Certified at the 14th Development Education Workshop

The 14th batch of the Development Education Workshop on June 7-13 turned out to be the largest group since 1999. The 46 newly certified DEs from 7 countries (Bangladesh, Hong Kong, Indonesia, Korea, Philippines, Singapore and Thailand) join the 380 graduates from 1999.

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

Credit union contribution to poverty alleviation, credit union mission,

values and principles, governance, lending practices, distinctiveness of credit unions and financial literacy are among the topics deliberated by the participants. The DEs had to make 3 individual presentations for 3 minutes and one group presentation on a development issue. "I learned to identify the objective of my presentation. It helps a lot in focusing on the message of my topic given the 3 minutes time allocation. Now, I feel 3 minutes is long enough," said Janet of the Philippines. Patcharin of Thailand said she was surprised when all her group members kept on supporting and pushing her to do her best. She said it was a great experience and camaraderie she will treasure.

Every participant emerges as a renewed credit union advocate being able to pinpoint the issues that restraint credit unions to align its

actions according to its mission. 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 financial cooperatives for the community.

ACCU CEO Ranjith Hettiarachchi emphasized that the workshop is not all about learning new skills, but deepening everyone's commitment on the role they play in the credit union. Self-fulfillment, motivation, creativity and high degree of self discipline are what most participants felt they achieved at the end of every DE workshop.

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

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, Korea, Laos, Malaysia, Mauritius, Nepal, New Zealand, Philippines, Sri Lanka, Singapore, Taiwan and Thailand,).

With the support of all members, ACCU is facing a new commitment to offer this unique educational and transformational experience for credit

union leaders and professionals in Asia through the DE program.

From 1999, 426 DEs have graduated from the Asian Development Education Program. They have performed extremely well in their presentations, developed self-confidence, and widened understanding of the global credit union system and issues. Most importantly, their DE project, even in a small way, is anticipated to contribute to community development.

## DE Grand Reunion to be Held at U Convention Hall in Bangkok



The DE Grand Reunion set on October 17-21, 2012 will be held at the U Convention Hall of Klongchan Credit Union. ACCU and sponsor U Group (CODFA, Klongchan Credit Union, Mongkon Sethi Credit Union, U Life Insurance and U Inter Insurance) are making preparations to welcome at least 300 DEs across Asia. The theme of the reunion is Value Based Professionalism for the Gross Happiness of Members.

Scholarships given by the sponsor will cover accommodation, meals, field visit and conference kits. Graduates from ACCU Development Education Program from developing countries are qualified for scholarship.

Interested DEs can directly contact ACCU to apply for scholarship:  
[accumail@aaccu.coop](mailto:accumail@aaccu.coop)



## ACCU Presents Social Side of Financial Analysis at CUCO Forum

ACCU Manager Member Services Elenita San Roque highlighted the social perspectives of PEARLS on the presentation made at the forum organized by the Credit Union Central of Indonesia (CUCO) on the topic on Financial Analysis for Effective Financial Decision Making in Credit Unions on May 18.

The one hour session presented the social objectives of PEARLS as compared to its financial objectives. She underscored that financial analysis is a key competence of every credit union director; however, the financial ratios should resonate on the achievements of the social objectives of the credit union. The financial objectives of the credit union must be anchored on its mission of helping its members improve lives.

CUCO organizes the annual educational forum in conjunction with its Annual General Meeting. This year's forum was attended by 600 credit union professionals and leaders from across Indonesia. As a three tier system, CUCO members are the credit union chapters that are operating independently as a credit union secondary organization.



PEARLS Ratios	Financial Objective	Social Objective
Protection	Adequate protection of assets	Protection of members' hard earned money
Effective Financial Structure	<ul style="list-style-type: none"> <li>Maximize earning capacity</li> <li>Growth and development on 70-80% savings ratio</li> <li>Financial stability on min. 10% Institutional Capital</li> </ul>	<ul style="list-style-type: none"> <li>Increase ability to provide quality services that improve lives of members</li> <li>Develop members' thrift habit</li> <li>Increase ability to fulfill social objectives - giving back to community</li> </ul>
Assets Quality (delinquency of maximum 5%)	Minimize risks	Responsible lender
Rates of Return and Costs (operating expenses)	Control of expenses	Responsible governance
Liquidity	Making funds available to meet members' withdrawal	Ensure members' sustainable access to affordable financial services.
Signs of Growth	Financial sustainability	Community relevance - at least 30% of the population use the credit union services.



## CCULB's Model CU Building Program Taking Shape

53 credit unions taking part in the model credit union building of CCULB (The Cooperative Credit Union League of Bangladesh) attended the two days workshop that adopted the comprehensive policies for credit unions on May 11-12 facilitated by ACCU CEO Ranjith Hettiarachchi. CCULB has focused on building a strong institutional foundation: 1) deployment of five basic policies 2) preparation of Strategic Plan, 3) reaching at least 1,000 members, 4) use of PEARLS-GOLD 5) reduction of delinquency and 6) computerization.



## CUMI Summit Draws 800 attendees



The sleepy island of Lembata had awakened on the arrival of ACCU CEO Ranjith Hettiarachchi and CUCO Chairman Romanus Woga on June 19. After a rough flight in a 10-seater aircraft from Kupang, the two were surprised by the cheering 200 Lembatans on their arrival. A motorcade participated by 200 well wishers took them to Angkara Credit Union office where they were accorded with traditional welcome ceremony by the natives of the Island.



The CUMI summit organized by Angkara Credit Union on June 20 was attended by 800 members who enthusiastically interacted with ACCU CEO. The whole day gathering was inspired by the attendance of the Buphati or governor of the Island. ACCU CEO provided advice on how credit unions can make meaningful contribution to the community by ensuring that members achieve their life goals and aspirations through the services it provide. Angkara CU has reach 5,000 people as members of CUMI. It has total members of 22,000 families. Angkara CU is one of the three credit unions operating in the island, plus one bank. Credit unions in Lembata Island are playing significant role in helping people improve lives.

Lembata Island has a population of 110,000 or approximately 40,000 families. The length of the island is about 80 km from the Southwest to the Northeast and the width is about 30 km from the West to the East.

### 3 Indonesian CUs to Meet ACCESS Pre-Requisites for Final Audit

ACCU Manager Member Services met the Managers and Chairmen of the three Indonesian credit unions applying for ACCESS accreditation on May 18. The meeting agreed that verification audit by ACCU will be done if the following conditions are met: Net Institutional Capital of 10% and 5% delinquency. It was also explained that ACCU has eased the requirement to recognize the efforts of the credit unions; however, before the final audit the following shall be met:

- Delinquency is not to exceed 20% of the total loan portfolio and with full provisions according to PEARLS standards (35 and 100%)

- Portfolio at Risk (PAR) must be the basis for delinquency recognition. The National Federation should ensure that the credit unions are disclosing PAR. Audit can only be conducted with the assurance that the loan delinquency is correctly presented in the Balance Sheet.
- Accreditation will be given if the provisioning and charging off is consistently applied in accordance with the policy
- Net Institutional Capital is at least 5% of the total assets.

With the flexibility applied, the highest brand ACCU can give is Bronze even the credit union scores silver, gold or platinum.



Meanwhile, ACCU CEO Ranjith Hettiarachchi had one day consultation visit to Angkara Credit Union on June 19. Review of ACCESS standards and the process to achieve them were explained to the Branch managers of the credit union. He emphasized that technical assistance from CUCO is very much needed to meet standards. Angkara CU has 22,000 members.

## Adherence to COOP-RUPEES a Must for SANASA Societies



SANASA Federation in cooperation with ACCU and the Cooperative Development Department (CDD) of Sri Lanka organized the Trainers Training on Operational Performance Standards for Prudent Management of Credit Unions on May 28-30. Fifty officers of CDD from four provinces attended the training. The officers are responsible to train the government officers in their respective provinces.

It is anticipated that COOP-RUPEES will be widely used by credit unions as mandated by CDD. SANASA is working closely with CDD to get regulatory support for the operation of its Stabilization Fund for which adherence to prudential standards by credit union is a must. COOP-RUPEES has both quantitative and qualitative indicators.

## ACCU & Thai CUs welcome Indonesian, Nepalese and Vietnamese Credit Union Leaders



ACCU organizes the study visit of the 78 credit union leaders from Indonesia's Bogor Banten Chapter on April 24-27, 38 delegates from NEFSCUN's 2nd study visit on April 23 to 30, and 37 delegates from Central People's Credit Fund (CCF) on April 23. Klongchan Credit Union, St. Peter Credit Union, the Federation of Savings and Credit Cooperatives of Thailand (FSCT) and the Credit Union League of Thailand welcomed the visiting leaders.

## NEFSCUN: Full Swing in Developing Youth Leadership

Creation of self-employment for youth and women is a strategy that NEFSCUN employs in its programs. The four days Trainers Training on Youth Advanced Leadership Development in SACCOS organized on June 11-14 in Chitwan deliberated on the needs and challenges of youth leadership in SACCOS. Attending the training were 25 youth leaders from 9 districts. They are well experienced on SACCOS and possess good presentation skills. "The participants demonstrated their commitment in SACCOS through active participation



throughout the program," according to NEFSCUN's Program Officer Sikshya Adhikari. The participants planned to conduct training sessions on the importance of SACCOS for high school level youth and non-member youth.

## 26th NACUFOK Exposure: Keeps on Inspiring Asian Leaders

For the last 26 years, the National Credit Union Federation of Korea (NACUFOK) has extended its generosity hosting the credit union leaders and professionals in Korea – for a five-day full pack learning and cultural experience rolled into one. Seven representatives from Mongolia, Nepal, Philippines and Thailand participated in the 26th NACUFOK exposure program on June 11-16.

NACUFOK started with the contemporary organization of small size credit unions and national federation. 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 42% of the total working population, NACUFOK ranks as the 3rd largest credit union movement in the world. In 2011, NACUFOK represents 5.9 million individual members from 955 credit unions and movement’s assets of US\$ 43 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 were impressed of the services instituted by NACUFOK such as the credit union monitoring and



supervision, deposit guarantee, high-tech financial services delivery (ATMs, Internet/Phone Banking etc.), centralized training, interlending, mutual aid, corporate PR/marketing, CU Mall and many others.

Since inception, NACUFOK has inspired at least 250 credit union leaders and professionals in Asia through the exposure program organized in collaboration with ACCU. The program featured a tour to NACUFOK’s 20-floor building (3 under and 17 above ground), workshops, credit union visits and cultural immersion. This year, the participants visited Seoul Pharmacists’ Credit Union and Joo-Min Credit Union. Above all, participants bring home with them an unforgettable experience of Korean hospitality and camaraderie.

## ACCU welcomes Supporter Members from Indonesia and Thailand

Koperasi CU Melati and CU Sejahtera from Bogor, Indonesia and Bogor Banten Chapter are accepted as Supporter Members of ACCU. The largest number of supporters is from Indonesia, now 14 credit unions.

Free Trade Credit Union in Bangkok, Thailand has become a supporter member in June. It was organized by the sales agents of Amway Thailand. Today it has more than 5,000 members. Mr. Veerayut Ruchirek, a Development Educator and ALMI member recently join the credit union as its Manager.

ACCU provides opportunity for large credit unions to be part of its development work. The fund contributed by supporters is earmarked for the promotion and strengthening of credit unions in countries in transition.



# TIMETABLE

## 2012 Regional Programs and Meetings

2012		
September 3-5	Pre-Forum Workshops: CEOs, HRD, Youth and Women	Philippines
September 4	ACCU Board Meeting	Philippines
September 6	Credit Union Visits	Philippines
September 7 - 8	Asian Credit Union Forum	Philippines
September 9	Annual General Meeting	Philippines
October 17-21	Asian Credit Union Development Educators' Grand Reunion <i>Theme: Value Based Professionalism for the Gross Happiness of Members</i>	Bangkok, Thailand

2012		
November	CULROC Exposure Program	Taiwan
November 27- December 4	Mini Master on Credit Union Management in collaboration with Kasetsart University	Thailand

### SCHOLARSHIPS FOR DE GRAND REUNION:

Our sponsor, the U Group provides scholarships for DEs from developing countries such as Bangladesh, Indonesia, Laos, Nepal, Mauritius, Philippines, Sri Lanka, and Thailand. Application for scholarship should be submitted to ACCU on or before August 31, 2012. The request for scholarship must be endorsed by ACCU member organization (national federation) where the credit union of the applicant DE is affiliated.

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