CHINA COOP

All China Federation of Supply and Marketing Cooperatives

COOP International Co-operative Alliance Asia and Pacific

ICA-ACFSMC Small Cooperative Finance and Risk Management Training Course

Lecture Collection

June 9-13, 2015

Nantong, China

Sponsored By All China Federation Of Suooly And Marketing Cooperatives

中国供销合作社
CHINA CO-OP

International
Co-operative
Alliance

THE MARKETING AND LOGISTICS SYSTEM OF CHINA CO-OP

Xu Mingfeng
Division Chief
International Cooperation Department
ACFSMC
June 2015

Cooperative Movement : a review

Marketing & Logistics of China Co-op

Strategy 2020 for China Co-op

[redacted]

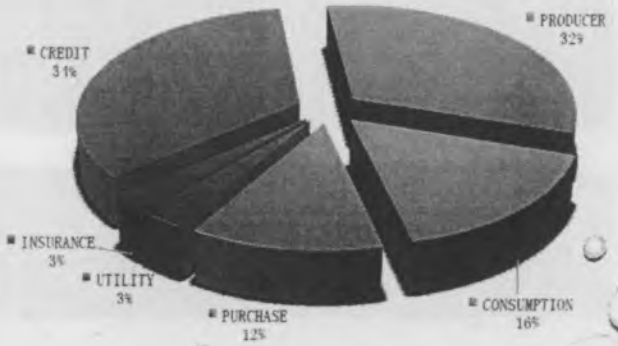
Time

History of near 100 years introduced by Chinese who were familiar with cooperative movements in Europe.
Emerged as early as late 1910s for self-assistance
Rapid growth in 1920s and 1930s post WWI Golden time suspended by WWII 1937-1945 + civil war 1946-1949
Disruption in development due to Planned Economy

[redacted]

Sector and Size

170, 000 co-ops
Average 100-140 members



- Gung Ho-ICCIC
- Handcraft Industry Cooperative-ACFHIC
- Credit Cooperatives
- Farmers' Specialized Co-operatives
- Supply and Marketing Cooperatives（China Co-op）

Gung Ho

The International Committee for the Promotion of Chinese Industrial Cooperatives-ICCIC.

In 1937 during Anti-Japanese War, Rewi Alley, Edgar and Helen Foster Snow, and patriots in China initiated the Gung Ho Movement. They organized laid-off workers and refugees displaced by the Japanese invasion to set up manufacturing cooperatives in aid of China's resistance effort. This soon became a nation-wide civil movement of some 3,000 cooperatives.

Gung Ho suspended services in 1952 then resumed them in 1987 with China's opening up to the world. Today, the spirit of the original Gung Ho Movement and its devotion to people owned and managed cooperative enterprise continues to benefit communities across .

Gung Ho is an active member of ICA

Back to Topic

Handcraft cooperative-ACFHIC

- Founded in December 1957 as the federations for nation-side handcraft cooperatives
- Merged into Ministry of Light Industry 1965
- Registered as an independent NGO 2001
- ICA membership 2010

Back to Topic

Rural Credit Co-op

- Big extension in 1950s : cooperative by farmers
- 1958-1984: misbelief in management and difficult times
- 1984: reconstruction based China Agricultural Bank rural outlets (banking sector)
- 1996: independent from banking sector
- 2003: provincial federations as regulators
- 2005-up to date : shift to rural commercial banks

Very limited, if any, banking service of farmers, for farmers and by farmers

Urban Credit Co-op

- 1978 Emerged as mutual funds in cities
- 1980s Fast growth
- 1990 Federations of Credit Co-op
- 1992-1994 Big Expansion -Market Economy
- 1995 Financial problems caused new regulation
- 1995 First city commercial banks emerged
- 1995-2012 Transition to City Commercial Bank
- 2012 up to date Commercial banks

Back to Topic

Background of Farmer's Specialized Cooperatives

✓Reform in rural China: household based small farmers
✓Cooperatives emerge as collaborative action organization in 1990s
✓Financial and tax reasons
✓Farmers' Specialized Cooperatives Act, 2007

- ✓ Multiple purpose/single purpose agricultural cooperatives
- ✓ Legal entity as a market player for the first time
- ✓ Primary co-ops (federations not recognized by Act)
- ✓ Farmers as major owners (80%+)
- ✓ Agribusiness vs cooperative principle
- ✓ 1.1 million total 2014
- ✓ 22% (240,000) China Co-op members.

Top 500	Mean	Min	Max
Members	675	52	35,000
Assets	12,720,000	500,000	572,390,000
Turnover	27,348,000	810,000	531,063,000

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[redacted]

China Co-op in planned economy

Stage 1 Command Economy 1954-1978

All China Union of Cooperatives renamed as
All China Federation of Supply and Marketing Co-operatives 1954
Mixture of economic organization and government
Concentrated on supply and marketing

Stage 2 Deng Xiaoping's Reform: 1978-1994

Emerging of private economies and independent farmers
Weakening of cooperatives' role in economy

[redacted]

Roles during planned economy 1954-1994

1.A replacement for commercial system in planned economy.
2.Collection of produce and other raw material in rural areas for industry and urban consumption (cotton, tea, herbal, some grains, waste material)
3.Supply agricultural inputs to farmers
4.Supply consumer goods to farmers and rural consumers.

Pros & Cons

1.Heritage of assets, distribution and marketing network
2.Organizational structure
3.Human resources and market resources
4.Planned-economy mindset
5.Weak relations with farmers and other owners
6.Interest conflicts between commerce and members

Market Economy and Post WTO

Transitional Economy: 1995-2002
- Recovery of ACFSMC 1995
- Difficult times 1995-2001
- Weakening of primary co-ops

New age post WTO: 2002 up to date
- Reform in China Co-op 2004
- New Network Project 2007
- Strategy for 2020 2015

[redacted]

2004: Reforms in Four Fields

1. Vitality of primary supply and marketing cooperatives
2. Governance of Cooperative Federations
   Owners and supervisors other than managers
3. Governance of cooperative-owned enterprises
   Corporations by co-ops
4. Market Capacity-building of Business Network
   Compatible with market competition today, competes with global players like Wal-mart.

Strategy New Network Project

[redacted]

2007 New Network Project

A shift from traditional commercial network to cutting-edge marketing and logistics network, New Network Project

- ✓From customer/counters to super markets/convenient stores
- ✓From independent stores to chains stores
- ✓From independent to collective purchase + distributions
- ✓Operations on scale
- ✓Supply chain management
- ✓Producers-supermarket matching in agricultural products
- ✓Cold Chain storage and logistics
- ✓Information Technology in wholesaling and retailing
- ✓E-commerce

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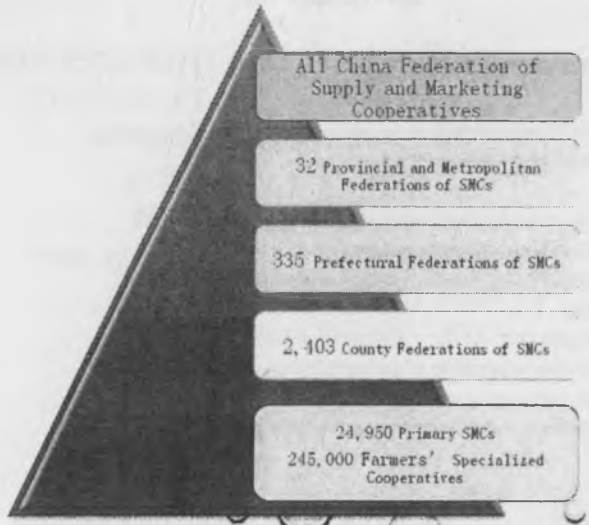
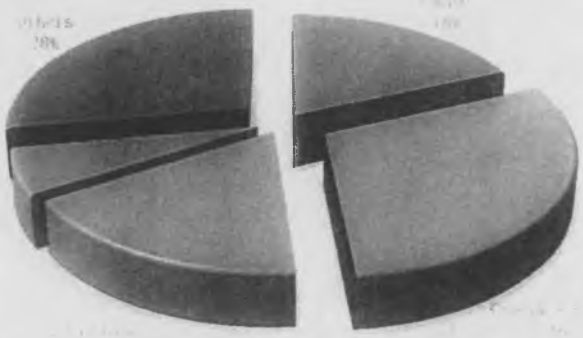
China Co-op Today



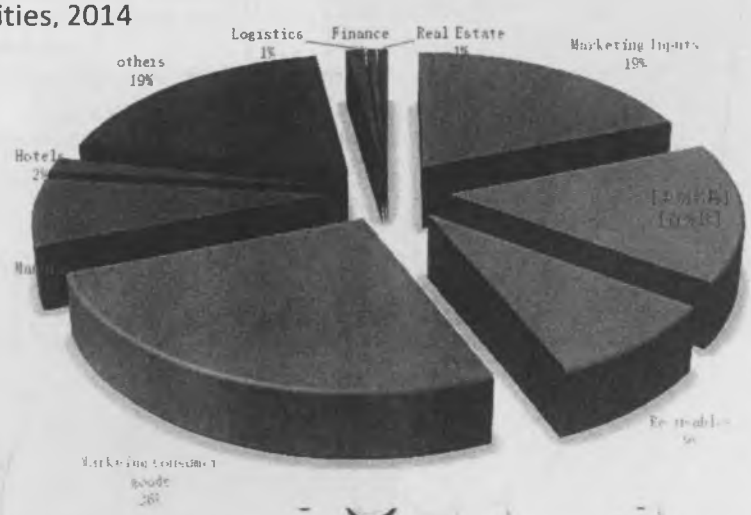
China Co-op Today

Breakdown of turnover by product purpose



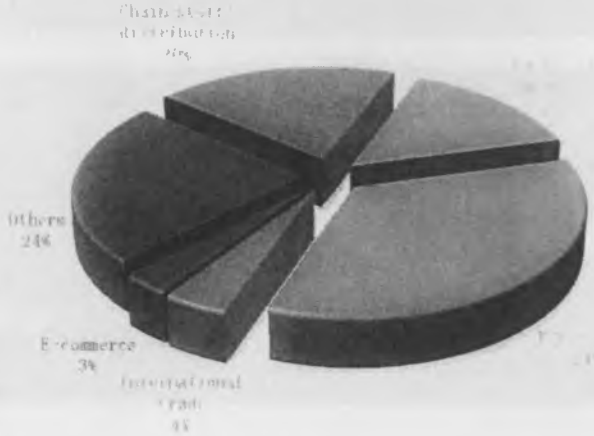
China Co-op Today

Breakdown of sectors by number of entities, 2014



Chain Stores Today

Breakdown of turnover by channel



Marketing and Logistics System

Chain Store Systems

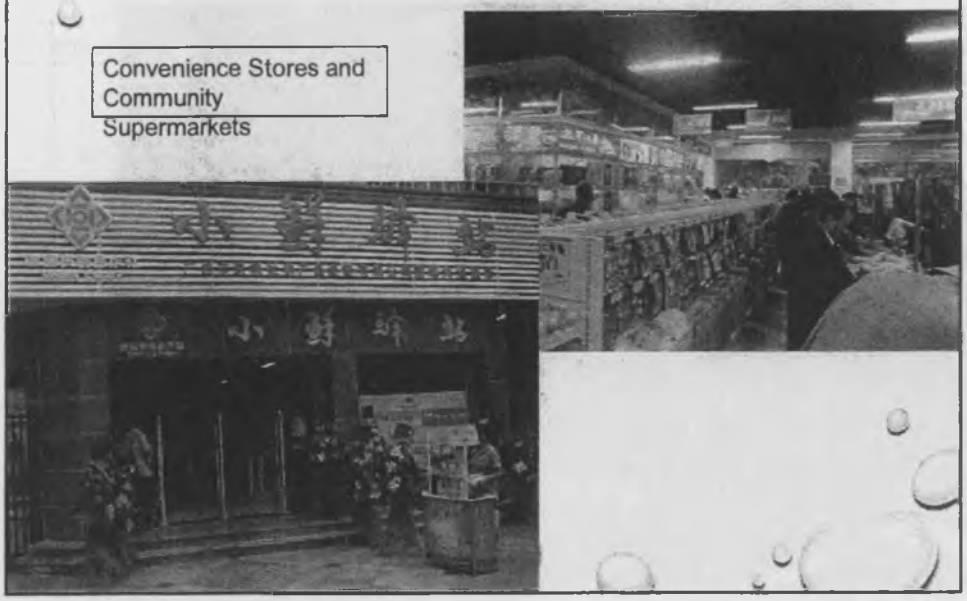
	Inputs	Consumer Goods	Re-usable	Agro and Food	Fireworks	Pharmacies
Chain Stores	2484	1541	544	819	969	99
Distribution Center	6318	2434	265	989	1723	83
Business Outlets	373000	383000	44000	54000	184000	7426

Marketing and Logistics System

SUGUO HYPER MARKET/SUPERCENTER IN JIANGSU

Marketing and Logistics System

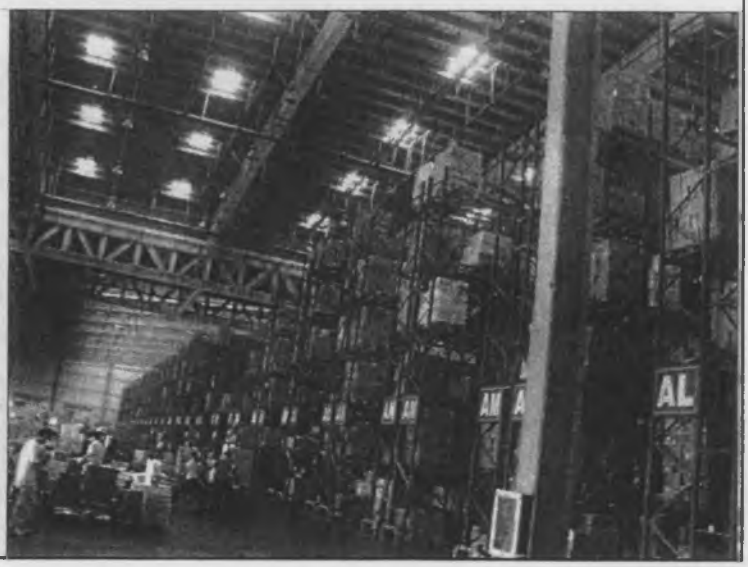
Convenience Stores and Community Supermarkets



Marketing and Logistics System

Economy

Distribution Centers are supporting forces to hypermarket, supermarket and convenience stores



Marketing and Logistics System

Wholesale markets serve resellers and other buyers

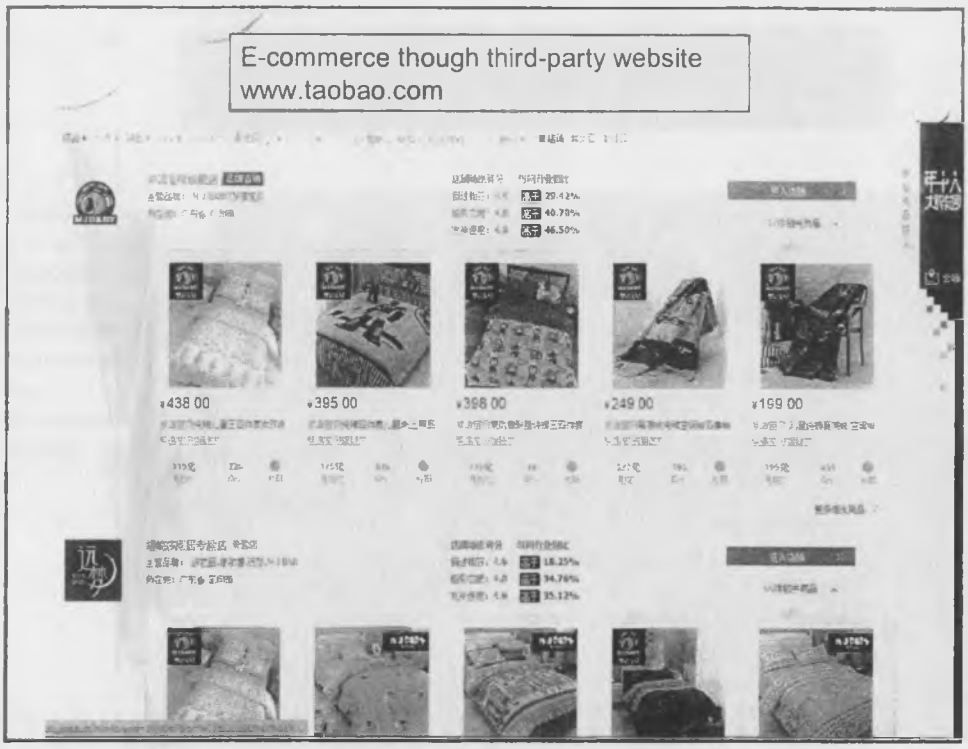
Marketing and Logistics System

Industrial buyers (B2B) are important buyers of cotton, yarns, grains, rubber, chemicals, electric and machines.
Also important in international trade

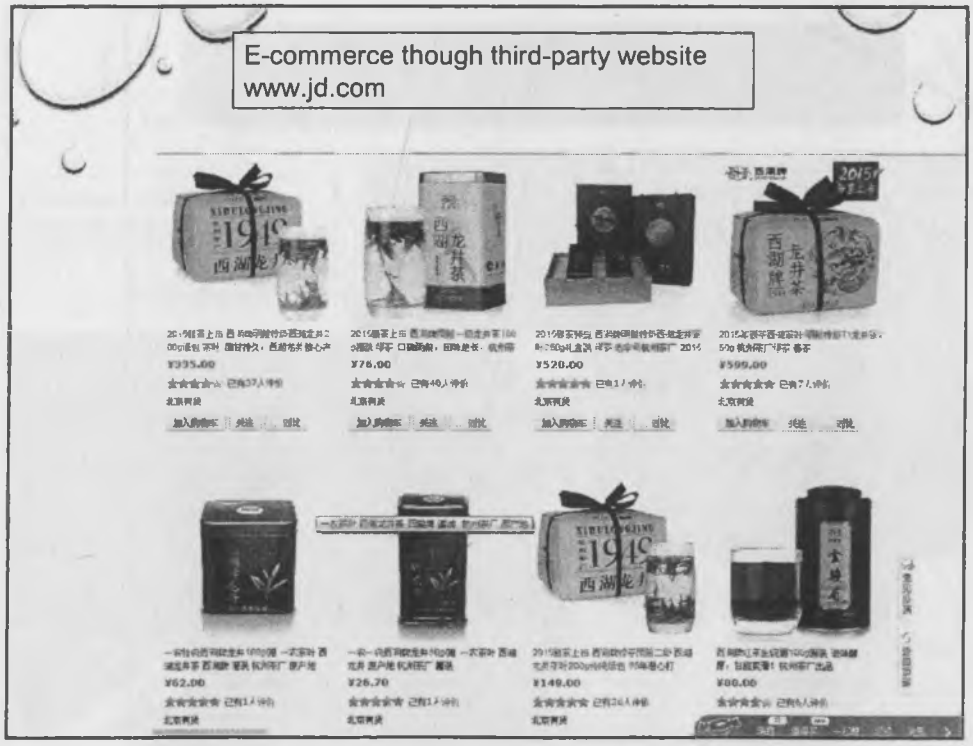
Marketing and Logistics System

E-commerce though private website

E-commerce though third-party website
www.taobao.com



E-commerce though third-party website
www.jd.com



Cooperative Movement : a review

Marketing & Logistics of China Co-op

Strategy 2020 for China Co-op

Strategy 2020 for China Co-op

Political considerations
Importance of Agricultural Sector to China
Who to farm and how to farm
Who to guarantee food safety and security
How to care for farmers in their production and living?

Economic considerations
New trends in market competition
The needs for rural finance
The strive for rural commerce
International players.

[redacted]

Strategy 2020

To become an economic organization that
✓serves modern agricultural economy,
✓that serves people's need for better commercial service in rural and urban areas,
✓and that runs an sound agricultural marketing and logistics systems for China

[redacted]

Financial service to farmers

E-commerce

Equity relations with farmers

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Strategy 2020 for China Co-o

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Thank you!

ACFSMC's CO-OP Financing Practices

China CO-OP Investment Group
June 2015

China CO-OP Investment Group

With total assets valued at RMB 3 billion and a total loan of RMB 12 billion granted, CCIG has over 20 subsidiaries, either wholly owned or controlled, involved in the micro-finance, financial leasing, fund, capital investment and integrated platform incubation fields.

China CO-OP Group

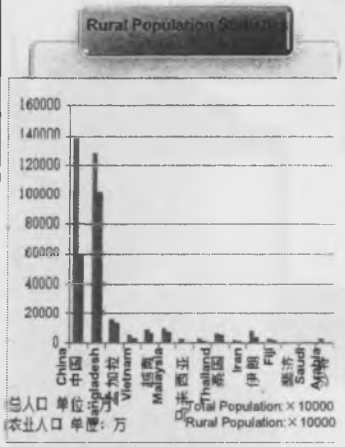
Ranking the 83rd among the Top 500 enterprises in China, this group has business presence in such fields as agricultural input, cotton, resource recycling, consumer goods, logistics, real estate and financial services.

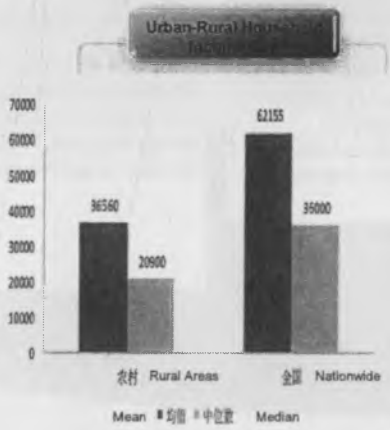
ACFSMC

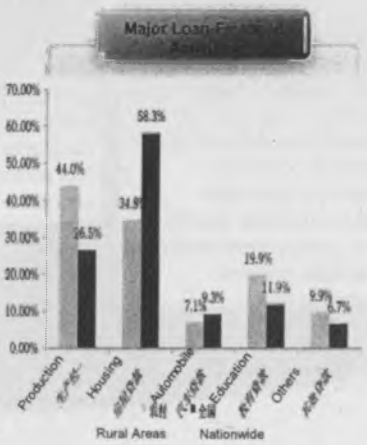
The apex of 3000 cooperative federations, over 20000 cooperative enterprises and 114000 farmers' cooperatives.

CONTENTS

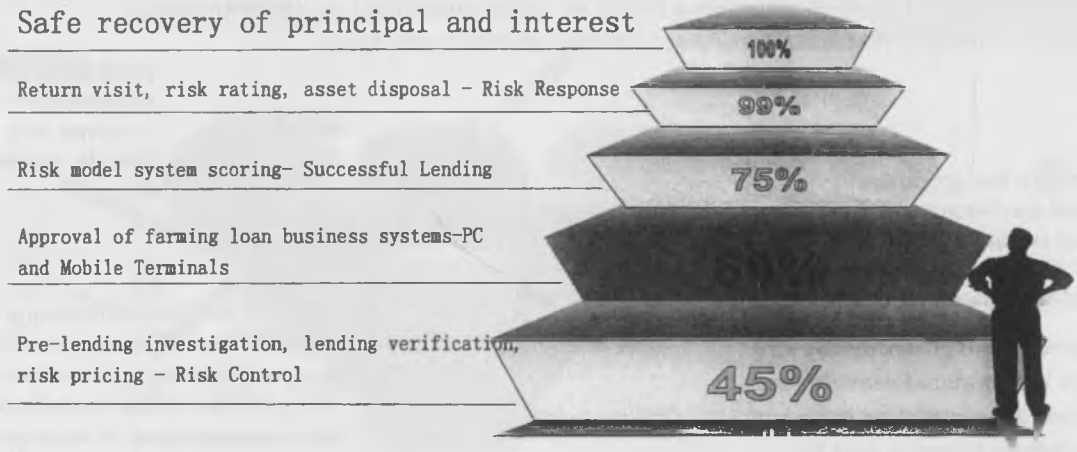
Complexity of Rural Finance



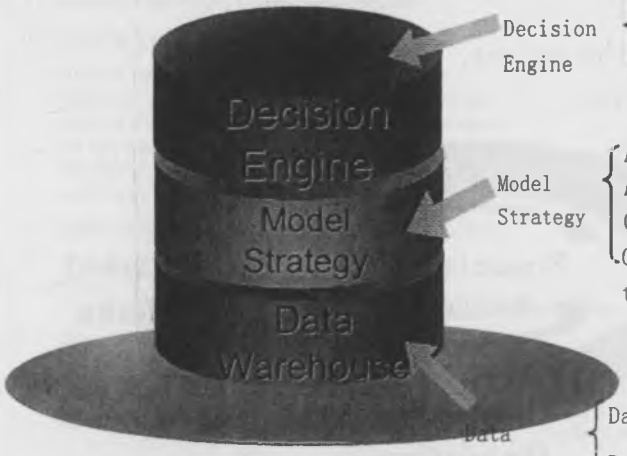




I. Financing CO-OPs by Commercial Means



China CO-OP Farming Loan Risk Scoring System



Decision Engine
- Scorecard design engine
- strategy rules engine

Model Strategy
- Anti-fraud rules/Loan probability
- Application scorecard/Behavioral scorecard/ Collection scorecard
- Credit strategy/Limit strategy/Collection tactics

Data Warehouse
- Data Mart of the Models
- Data Mart of the Statements

China CO-OP Farming Loan Micro-Finance Technology

Base Equity=Total Assets-Total Liabilities
Initial Equity+Cumulative Profit +Capital Injection-Capital Withdrawal +Asset Appreciation-Asset Depreciation=Equity Due

Acquaintances, neighbors, relatives and friends, partners, etc.

Compare the gross profit stated by client and the gross profit obtained from calculation over the sampled actual survey data.

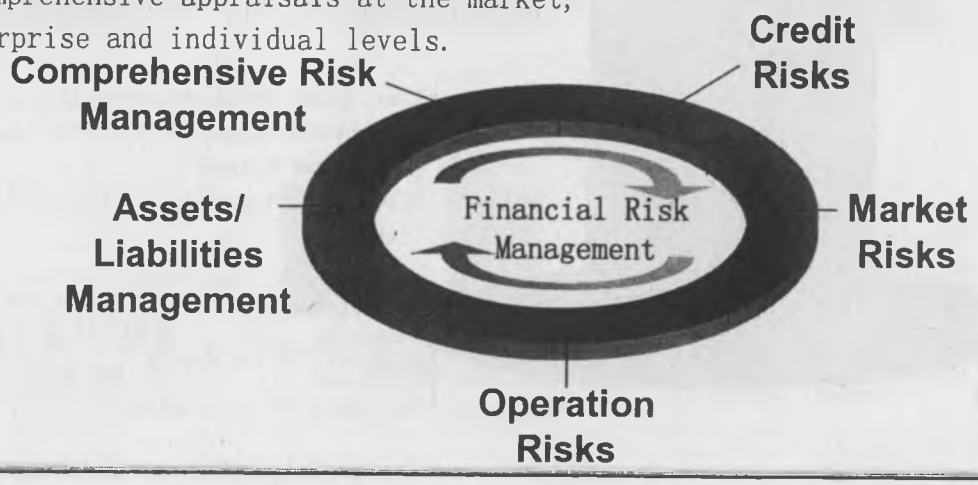
Cross-checking is a process by which information from different sources are verified for accuracy and various financial data for correlation

er is calculated by asking into th peak and slack business seasons; and the percentage of certain parts is fixed through sales volume breakdown; and turnover is obtained via marketing cost and gross profit at certain given time

I. Financing CO-OPs by Commercial Means

Comprehensive Appraisal

- Comprehensive appraisals at the market, enterprise and individual levels.



I. Financing CO-OPs by Commercial Means

China CO-OP Farming Loan Risk Control System

Approval Management System (for Mobile)

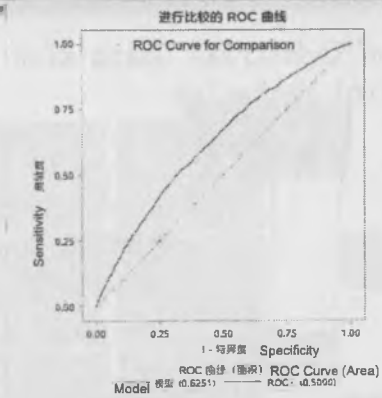
Risk Pricing and Model Building

- Scoring Algorithm: Logistic Regression
- Scoring System: SAS 9.4
- Logistic regression, a form of probabilistic nonlinear regression, is a multivariate analysis method that measures the relationship between the dichotomous or polytomous results (dependent variables) and influencing factors (independent variables) the probability of nonlinear regression.
- Ln(P/(1-P))= $\beta_0 + \beta_1 X_1 + \beta_2 X_2 + \ldots$ Odds=P/(1-P)

$$P = \frac{\exp(\beta_0 + \beta_1 X_1 + \beta_2 X_2 + \cdots + \beta_m X_m)}{1 + \exp(\beta_0 + \beta_1 X_1 + \beta_2 X_2 + \cdots + \beta_m X_m)}$$

其中，β_0 为常数项，$\beta_1, \beta_2, \ldots, \beta_m$ 为偏回归系数。

Wherein β0 is a constant term; and β1, β2, ..., βm are partial regression coefficients.



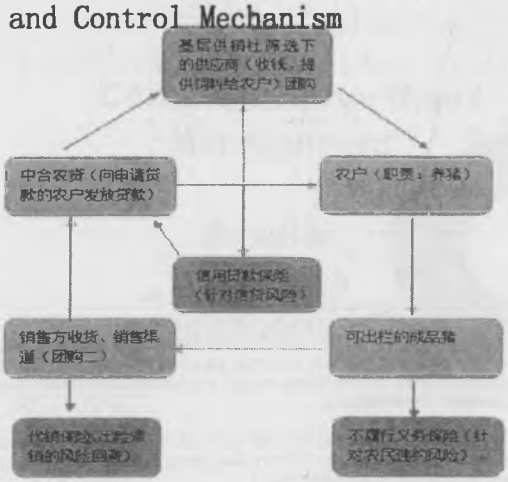
In the Lorenz graph, the abscissa 1-specificity represents the proportion of good accounts declined while the vertical coordinate sensitivity represents the proportion of bad accounts declined. The 45-degree straight line indicates a completely random model incapable of distinguishing.

The ROC area for the IFRE personal credit score is 0.6251; 0.6461 for the business owners' credit score. Currently the overall distinguishing capacity is just so so, but the high- and low-score areas are applicable.

I. Financing CO-OPs by Commercial Means

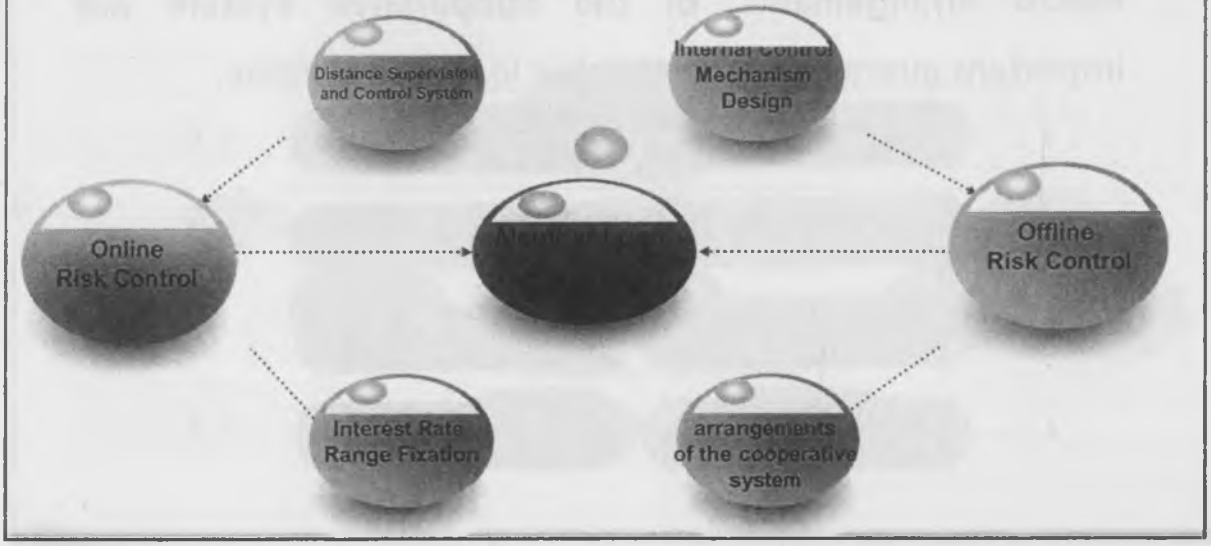
I. Financing CO-OPs by Commercial Means

Closeloop Industrial Chain Risk Prevention and Control Mechanism



Prevention and Control of Farmer Credit Loan Risks

II. Financing CO-OPs with CO-OP Funds



Member Loan Risk Control

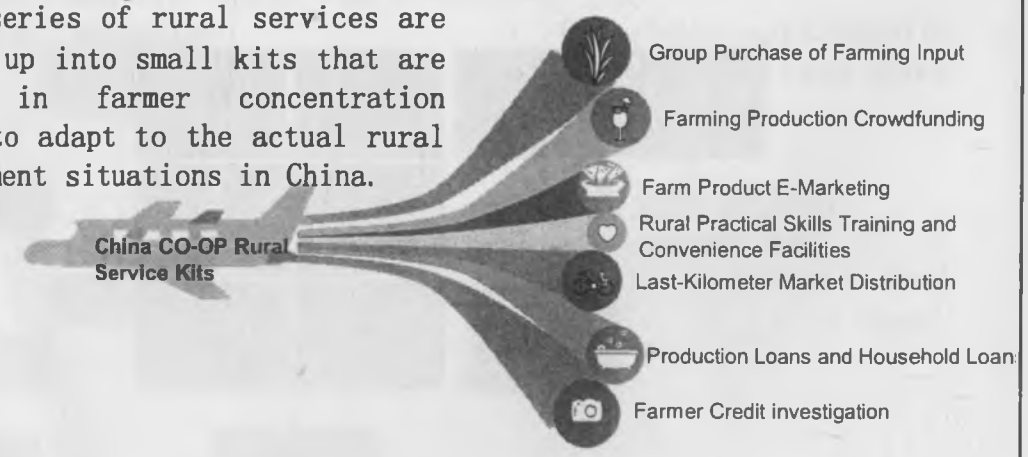
Member Loan Risk Control

Macro arrangements of the cooperative system are important guarantees for member loan risks offline.

1. Independent bank account system
2. Independent account book system
3. Business Clerk Accountability System
4. Member Loan Eligibility Due Diligence
5. Regular Check System
6. Random Check System
7. Individual Credit Investigation System
8. Supervision and Reporting System

III. Building Farmers' CO-OPs as Multi-Function Service Platforms

A series of rural services are wrapped up into small kits that are placed in farmer concentration areas, to adapt to the actual rural development situations in China.



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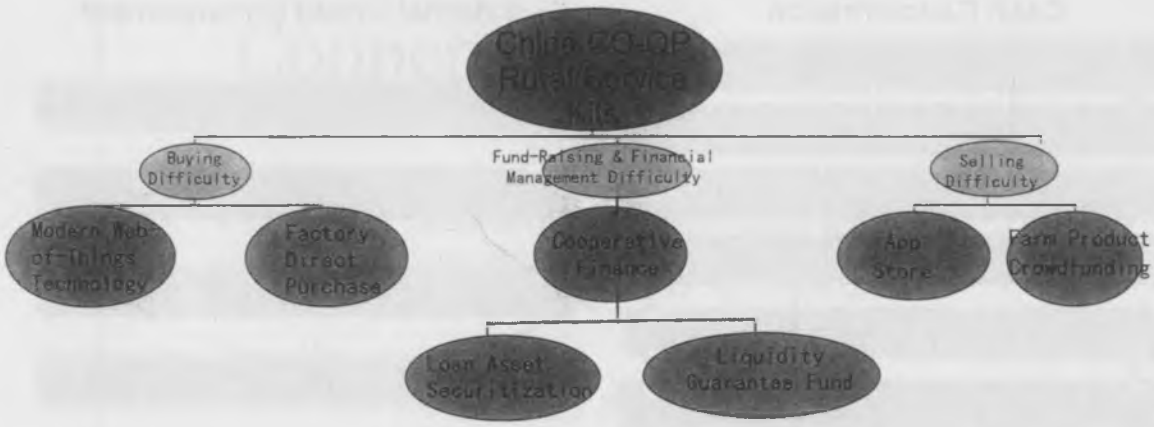
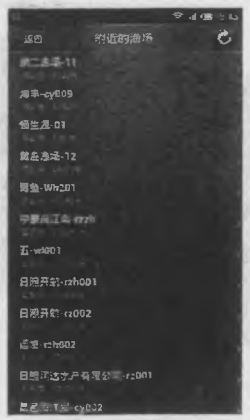


III. Building Farmers' CO-OPs as Multi-Function Service Platforms

"Yuyetong" Interface



"CCIP COOP App Store" Interface

III. Building Farmers' CO-OPs as Multi-Function Service Platforms

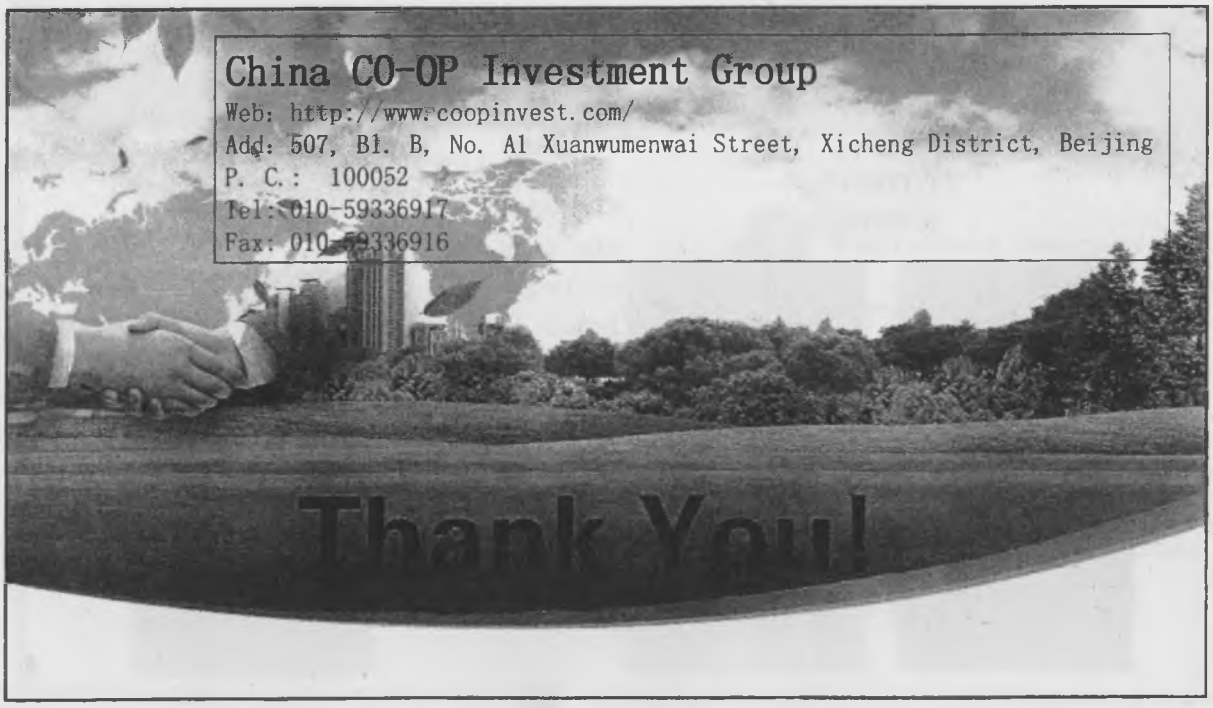
Advantages of the 2-Tier Vertical Structure (Taiwan Model)

Cash Concentration

- Reduce operating costs
- Reveal hidden local risks from a national perspective
- Reduce the profit-seeking impulse at intermediate level
- Actualize efficient regulation
- Improve policy responsiveness and effectiveness
- Help external watchdog operate on market basis

External Credit Enhancement

- For concerted external credit enhancement coordination
- For inclusive and more credit enhancement information
- For better micro-finance technology research&extension
- Ultimately for asset securitization of the farmers' coops



Cooperative Finance

Basics, Challenges, Trends

Background paper

ICA-ACFSMC Training Course on Small Cooperative Finance and Risk Management"

Nantong, Jiangsu Province, China, 8-13 June 2015

by

Hüseyin Polat
Senior ILO Consultant
Professor of Cooperative Management and Training

Reminder

- **What is a cooperative?**
- an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly owned and democratically controlled enterprise.

Reminder 2

- Cooperative values

self-help, self-responsibility, democracy, equality, equity and solidarity; as well as ethical values of honesty, openness, social responsibility and caring for others

Reminder 3

- Cooperative Principles

1. voluntary and open membership;
2. member economic participation;
3. autonomy and independence;
4. education, training and information;
5. democratic member control;
6. cooperation among cooperatives; and
7. concern for community

Basics of cooperative finance

Main financial resources available for cooperatives:

1. Members' direct contribution,
2. Retained surplus
3. Outside (non-member) sources

Members' contributions

- Share capital and membership fees (to be paid regularly to cover the cost of certain services);
- members' deposits (particularly in savings and credit cooperatives);
- payment to be made to members later upon the sale of goods delivered to the cooperative society.

Generated surplus

Considerable part of the business surplus not distributed to members in proportion to their transactions with the society is retained by the cooperative in reserve funds. This "undistributed" fund constitutes the collectively-owned cooperative' s own capital which is also called

Outside money (non-members' contributions)

- External financial resources may be in the form of
  - grants,
  - loan from banks and
  - suppliers' credit

Crowdfunding

Crowdfunding is the practice of funding a project or venture by raising monetary contributions from a large number of people, typically via the internet. One early-stage equity expert described it as "the practice of raising funds from two or more people over the internet towards a common Service, Project, Product, Investment, Cause, and Experience, or SPPICE. The crowdfunding model is fuelled by three types of actors: the project initiator who proposes the idea and/or project to be funded; individuals or groups who support the idea; and a moderating organization (the "platform") that brings the parties together to launch the idea. In 2013, the crowdfunding

which of these sources are the best (and the cheapest)?

which of these sources are the best (and the cheapest) ?

1. Members' direct contribution

2. Retained surplus

3. Outside (non-member) sources

members' share capital and **reserve funds** are the best sources of finance for a cooperative.

Borrowing from non-members such as suppliers and banks, is a good strategy **only when** the returns from such borrowing are larger than the cost of borrowing

How to mobilize members' contributions?

- In order to reduce the need for and scale of the outside funding, which is usually expensive, the cooperative management should concentrate on how to mobilize and increase internal resources, or members' contribution.

Questions

- Can improving and diversifying services to members encourage them to invest more in the cooperative?
- Does rational use of outside funds have a positive impact on members' savings and contributions?

Questions

- Can promoting patronage have some positive effect on members' sense of belonging to the cooperative and thus increase their financial contributions?
- What about strengthening the cooperative's social responsibility? Will there be an impact of the fund-raising

The impact of ownership

With regard to the advantages derived directly from ownership of a financial cooperative, Birchall lists the following:

1. It corrects market failure
2. It prevents of conflict of interest between owners and customers
3. It provides an efficient, low cost model of banking,
4. It provides no incentives to risk taking.

Birchall, Johnston: The governance of large cooperative businesses - a research study for

A closer look at Cooperative Capital - - the recent ICA publication -

- By reserving all or a majority of voting rights for co-operative members, external capital can be raised while preserving member control.
- Examples can be found in large and small co-operatives and start-ups in all regions of the world. Not all examples, however, have been successful.
- A further consideration is that even when members retain legal control, outside investors may still exercise influence over the co-operative.

Challenges to cooperative banks

Wyman reports that cooperative banks face three main challenges:

1. Differentiation on values: Cooperative banks risk losing some of their differentiation for being seen to put customers and local communities first.
2. Technology and cost management
3. Economic context and regulation challenges given the specific governance of cooperative banks

How to meet these challenges?

The Wyman report argues that cooperative banks should meet these challenges by preserving and building on their distinctive characteristics. It adds that they can do it in three main ways:

1. Manage financial constraints to continue supporting local economies
2. Leverage their roots to emphasize the cooperative difference
3. Use technology to rejuvenate the cooperative relationship.

WB study on financial co-ops

"The member vs. manager conflict is an important source of vulnerability in the governance of CFIs (cooperative financial institutions) which has largely been ignored in the practice of promotion of CFIs in developing countries. ..»

New trends in Co-op Finance

<u>An ILO highlight on financial cooperatives</u>

- Cooperatives are the only formal financial organizations available, particularly in remote rural areas, where members can save and borrow money to develop their own businesses.

iCoop Korea

Consumer Cooperative Federation of Korea

In 2012 iCOOP Korea established a fund called "member-loan for pre-purchase of domestic grains"

In 2013 iCOOP Korea developed the concept of "responsible investment"

A new fund was established in 2013 by iCOOP named as store cooperation fund to help new primary cooperatives open their shops

The Union of Sugar-Beet Producers' Cooperatives (PANKOBIRLIK)

- Cumra co-op crates additional funding by utilizing primarily the surplus derived from the sales of the sugar-based diversified products from investments in the integrated industries
- Money generated from the sale of these "side-products" and by-products, is used as additional capital in new investment and financing some social and community projects

Conclusions of Québec Summit

Commitment no. 6: Financial cooperatives and mutuals will continue their efforts to achieve universal access to financial services:

Widen and strengthen cooperation between national associations of financial cooperatives, credit unions and mutuals and with bilateral and multilateral institutions around the world

Support the introduction of appropriate legislation and a system of oversight to ensure the stability of financial cooperatives and mutuals and their inclusion in the national financial systems of the countries in which they operate

Support effective and efficient networking of financial cooperatives, credit unions and mutuals

Leverage new technology to achieve economies of scale and diversify services

Group work

Group 1:

If a traditional capital structure based on withdrawable member shares and retained earnings adequate to meet the needs of the cooperative, it may be perfectly able to operate on a very traditional basis.

- Is this assumption correct for any environment?

Group work

Group 2

If innovative alternatives are to be pursued, then a number of questions have to be considered:

- Is the membership able and willing to make additional investment in the cooperative? If so, then the debt of equity instruments must be structured to be attractive to members while still preserving democratic control;
- If non-member investment is to be sought, there must be a balance between making the instrument an attractive investment and preserving member control

Group work

Group 3

- One potential option to lever the cooperative investment is establishing a fund that could be structured as a private equity fund, mutual fund, unit trust of exchange-traded fund.

How can this kind of fund be established and made operational?

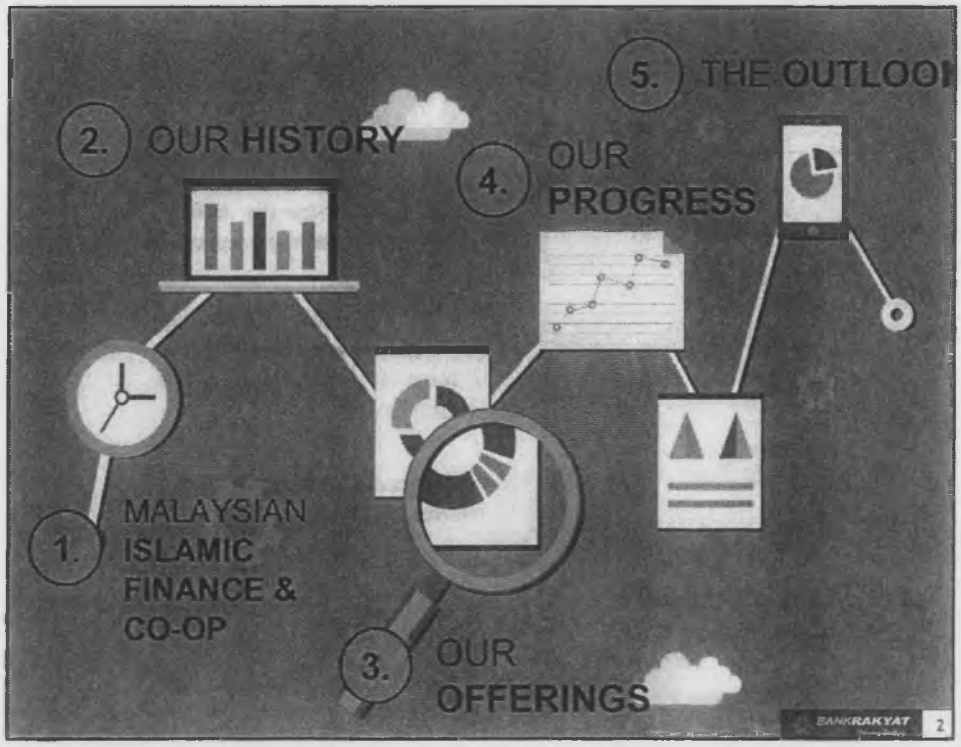
Opportunities and Challenges of an Islamic Cooperative Bank

The Approach

PRESENTED BY:
AIZA AZREEN AHMAD
CHIEF STRATEGY & TRANSFORMATION

BANKRAKYAT
بيڠك رعيت

8th JUNE 2015



More than 30 years of Islamic Finance expertise

The first Islamic bank : BANK ISLAM was established in 1983

No. of local Islamic banks : 16
No. International Islamic banks : 4
Represents 35% of the total Malaysian banks

Total Islamic Banking Assets (2014)
RM 625.228 billion(~US$173674.53bil)

No. of Takaful Operators : 11
No. of International Takaful Opt : 1
No. of Re-Takaful Companies : 4

Malaysia as a regional & international centre for islamic fund & wealth management

Enhance liquidity, market efficiency as well as depth & vibrancy of Islamic Financial Markets

Reference centre for Islamic Financial Transaction

Roles of Co-operatives in Economic Development

- Contribute 10% to Gross National Product (GNP) by 2020
- Promote and support entrepreneurial development
- Create job opportunities
- Reduce poverty

Landscape of National Cooperative Policy 2011 - 2020

Government Initiatives Towards Becoming A High Income Nation by 2020

- New Economic Model (NEM)
- 11th Malaysia Plan (RMK-11)
- SME Master Plan 2012 - 2020

Bank Rakyat's Journey

THE BEGINNING OF BANK RAKYAT

The establishment of Bank Agong, amalgamation of **11 cooperative banks** under the Cooperative Ordinance 1948

FULL-FLEDGED ISLAMIC BANKING

Bank Rakyat's total assets are **fully Shariah-compliant.**

2003

2011

60TH YEARS OF ANNIVERSARY

•The Bank moves to the Bank Rakyat Twin Towers on Jalan Travers, Kuala Lumpur.

•Bank Rakyat **celebrates it 60th years of anniversary.**

EXCEEDING RM2 BILLION

The Bank recorded a profit before tax and zakat of RM2.02 billion for the first time.

TRANSFORMATION TO ISLAMIC BANKING

Bank Rakyat launches its Shariah Banking system & introduces Islamic pawn broking Ar-Rahnu cooperation with the Islamic Economic Development Foundation (YPEIM)

INCREASE IN MARKET SHARE OF PERSONAL FINANCING	STRENGTHEN RETAIL PORTFOLIO	STRENGHTEN BUSINESS BANKING	DIVERSIFICATION OF BANK INCOME	BALANCE LIABILITY & ASSET
Increase Disbursement Of Private Personal Financing	Increase In Disbursement Of Housing Financing For Medium Income Group	Strengthen Governance & Focus Of Business Banking	Increase Fee Income	Improve Asset Quality
Increase Disbursement For Medium High Income Group	Pioneer Of Ar-rahnu Islamic Pawn Broking	Increase In Competency And Capacity Of Business Banking	Increase Income From New Business	Strengthen Bank Capital
Increase Disbursement Through Overlap Financing	Pioneer Of Islamic Banking Cards	Enhance Credit Culture In Banking Business	Increase In Other Operating Income	Increase Deposit through Savings & Current Accounts

- Rural Economic Financing Scheme (SPED)
- TUKAR and ATOM
- CGC Scheme*

- Contract-i
- Term Financing-i
- Bridging-i

- MIKRO-i Financing
- Micro Enterprise
- Fund (MEF)

Medium Business

Small Business

Large Business

Micro Business

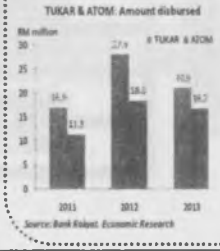
Facilitates fund mobilisation to support businesses and real economic activities by offering various financial services

*Credit Guarantee Corporation Scheme

National Building Agenda

Enhancing the socio-economic status of Malaysians

1. Mandate as a development financial institution (DFI)
2. Plays a unique role to support the government initiatives to develop targeted industries.
3. Acts as the intermediary party for the Government in TUKAR and ATOM programmes.
4. TUKAR and ATOM are designed to modernise and enhance the service quality of small retailers and automobile workshops, respectively.
5. Part of the transformation programmes outlined in the National Key Economic Areas (NKEAs) under the Economic Transformation Plan (ETP)



Cumulative Disbursement Amount

2013

TUKAR
RM65.7 million

ATOM
RM46.3 million

Becoming the Catalyst

Develop to lead the growth of National Cooperative Model

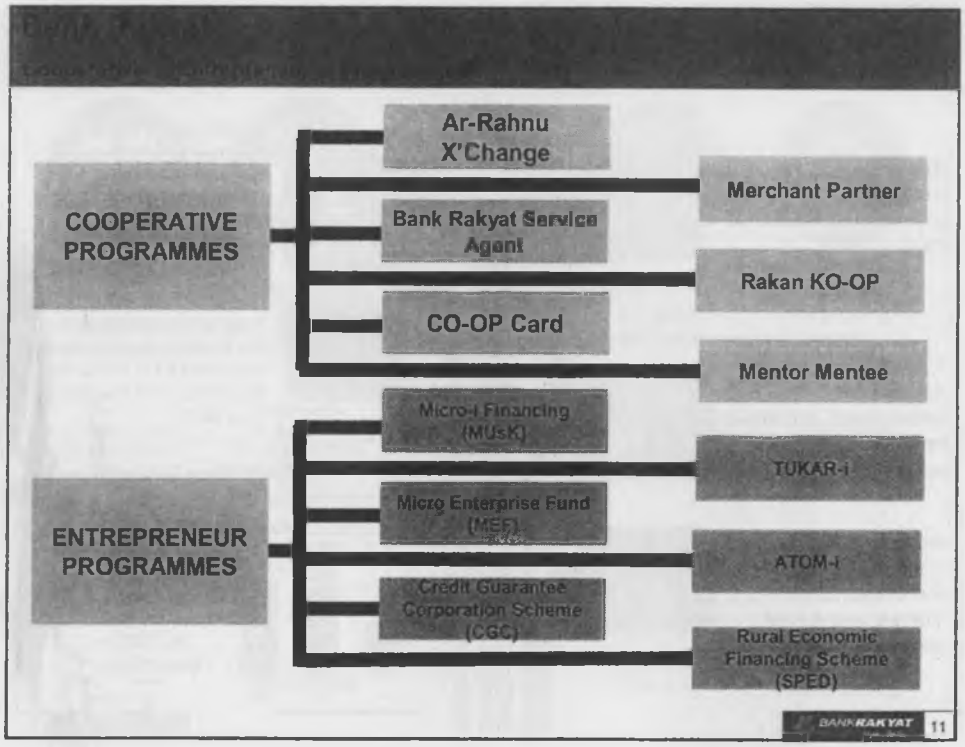
To participate in program organized by Bank Rakyat.

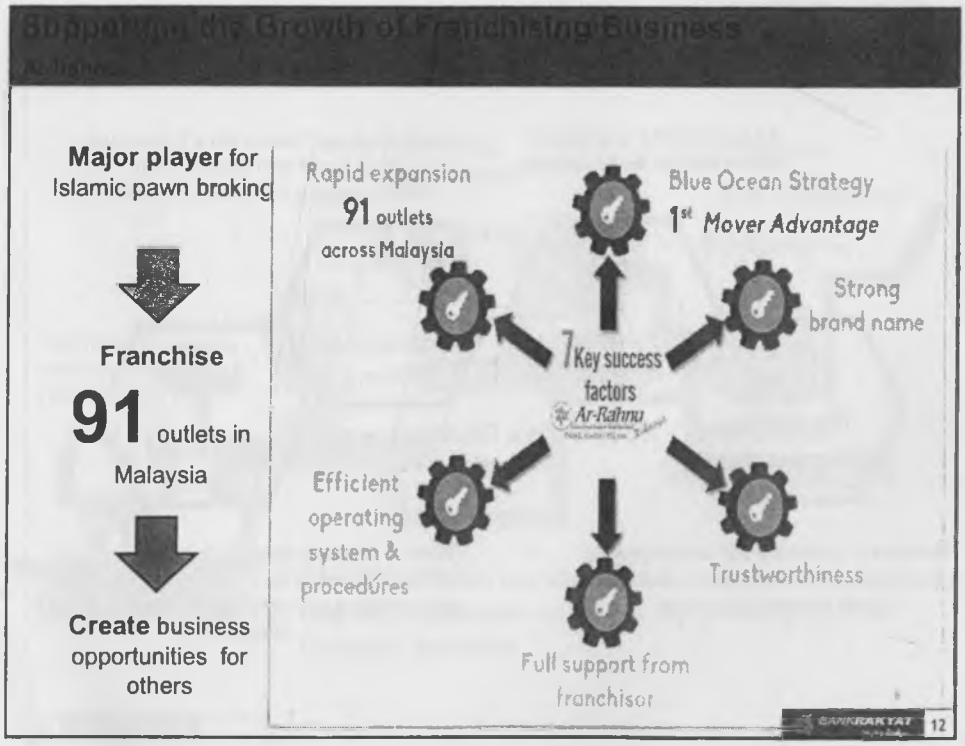
Contribute to Cooperative Education Trust Fund and Cooperative Development Provident Fund11

Cooperative Development Program

Members' products are displayed in the showcase cabinet available at all Bank Rakyat branches.

Brand, product description and services will be promoted on the internet and other promotional activities organized by Bank Rakyat.


COOPERATIVE PROGRAMMES
Ar-Rahnu X'Change
Bank Rakyat Service Agent
CO-OP Card
Merchant Partner
Rakan KO-OP
Mentor Mentee
ENTREPRENEUR PROGRAMMES
Micro-i Financing (MUsK)
Micro Enterprise Fund (MEF)
Credit Guarantee Corporation Scheme (CGC)
TUKAR-i
ATOM-i
Rural Economic Financing Scheme (SPED)
BANK RAKYAT
11


Major player for Islamic pawn broking
Franchise
91 outlets in Malaysia
Create business opportunities for others
Rapid expansion
91 outlets across Malaysia
Blue Ocean Strategy
1st Mover Advantage
Strong brand name
7 Key success factors
Ar-Rahnu
Efficient operating system & procedures
Trustworthiness
Full support from franchisor
BANK RAKYAT
12

TOP 5 : 100 BEST COOPERATIVE INDEX IN 2014

1st Koperasi Permodalan Felda Malaysia Berhad

2nd Bank Rakyat

3rd Koperasi Tunas Muda Sungai Ara Berhad

4th Koperasi Angkatan Tentera Malaysia Berhad

5th Koperasi Peserta-Peserta FELCRA Malaysia Berhad

COOPERATIVES BY FUNCTIONS

Functions	Total no. of co-op	Total no. of members	Members' fees (RM mil)	Assets (RM mil)	Total income (RM mil)
Banking	2	1,000,750	3.320.99	87,848.95	2,893.45
Credit	586	1,357,887	5,580.55	11,949.76	905.44
Agriculture (Adult)	2 439	738,818	602.54	2,383.82	511.67
Agriculture (School)	6	446	0.02	0.06	0.03
Housing	202	164,253	211.50	1,864.89	546.85
Industrial	235	16,605	10.66	75.87	23.18
Consumers (Adult)	2,514	600,112	301.37	1,344.54	524.82
Consumers (School)	2,295	2,127,387	22.96	257.88	227.25
Infrastructure	195	122,578	52.13	419.35	42.09
Transportation	450	147,377	66.30	300.62	483.65
Services	2,526	920,867	3,171.40	7,632.41	11,242.03
Total	11,450	7,197,030	13,340	112,578	17,400

THANK YOU

Bank Rakyat @myBankRakyat http://www.bankrakyat.com.my/

Bank Rakyat

Product & Services

Business Banking

Retail Banking

Other Services

Cooperative & Entrepreneur Programme

Savings-i and Deposits-i

- Savings Account-i
- Current Account-i (eCA-i)
- Deposits Account-i

Financing-i

- Personal Financing-i (Aslah)
- Auto Financing-i
- Home Financing-i (Manzili)
- Pawn Broking-i (Ar-Rahnu/Az-Zahab)
- Education Financing-i (Falah)

Card-i

- ATM Card
- Debit Card
- Credit Card

Hire Purchase

It is open to all business entities such as private limited companies and co-operatives

Term Financing

To provide working capital for business expansion involving companies from various sectors agriculture:
•credit consumer,
•property,
•manufacturing,
infrastructure,
•retail,
•communication,
•oil and gas, etc

Bridging

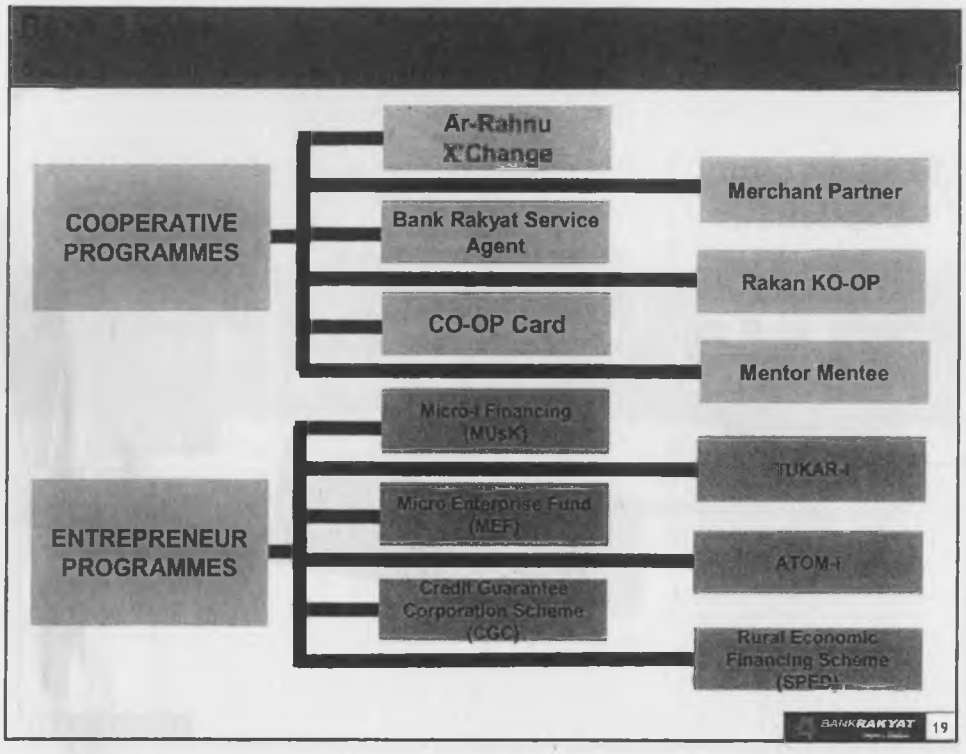
It is open to all business entities such as private limited companies and co-operatives

Property

Offers a competitive Islamic property financing packages for companies to purchase land, residential, and commercial properties

Contract

The type of companies that is eligible to apply:
•Public Limited Companies
•Private Limited Companies
•Cooperatives (awarded contracts by the government, semi-government bodies, local councils and private companies recognised by Bank Rakyat)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BANKRAKYAT
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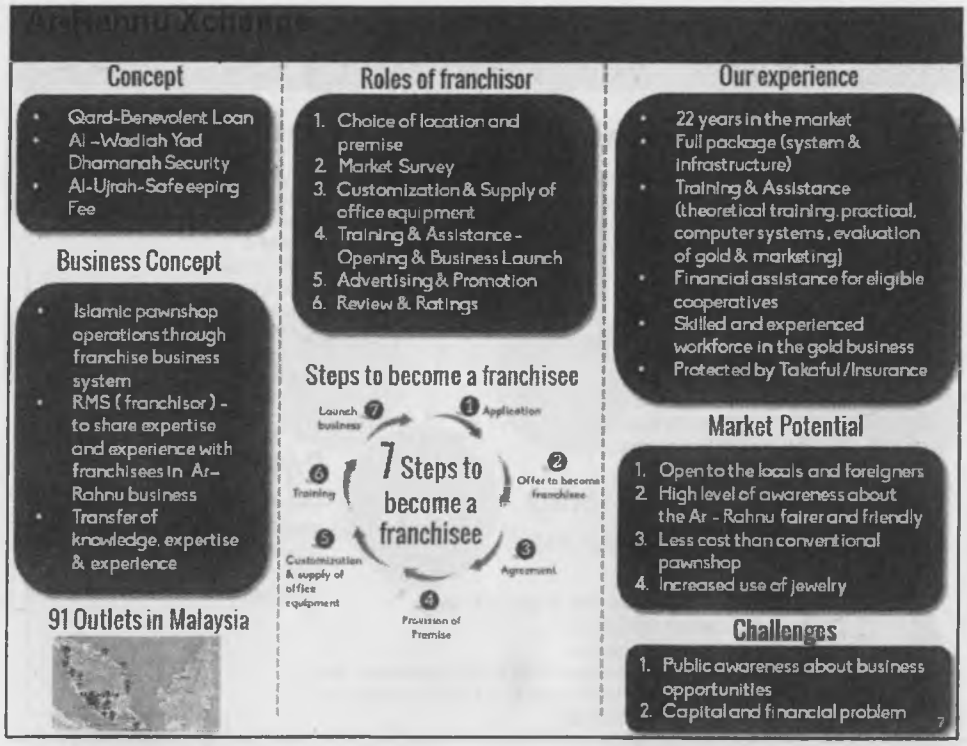
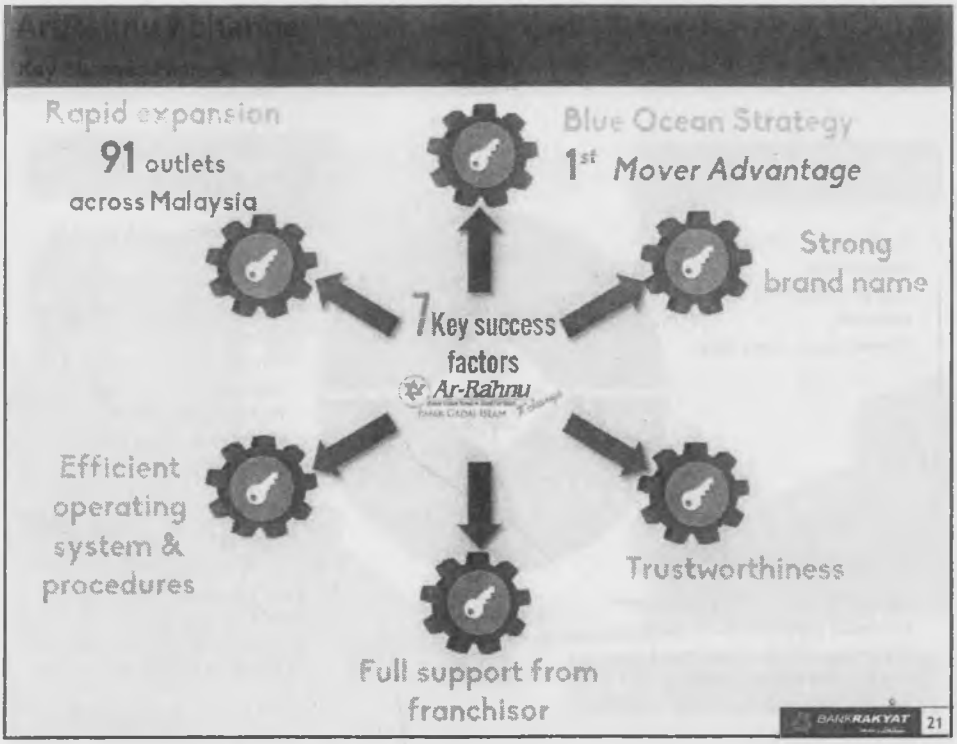

Ar-Rahnu X'change
Concept
Qard-Benevolent Loan
Al -Wadiah Yad Dhamanah Security
Al-Ujrah-Safe eeping Fee
Business Concept
Islamic pawnshop operations through franchise business system
RMS (franchisor) - to share expertise and experience with franchisees in Ar-Rahnu business
Transfer of knowledge, expertise & experience
91 Outlets in Malaysia
Roles of franchisor
1. Choice of location and premise
2. Market Survey
3. Customization & Supply of office equipment
4. Training & Assistance - Opening & Business Launch
5. Advertising & Promotion
6. Review & Ratings
Steps to become a franchisee
7 Steps to become a franchisee
1 Application
2 Offer to become franchisee
3 Agreement
4 Provision of Premise
5 Customization & supply of office equipment
6 Training
7 Launch business
Our experience
22 years in the market
Full package (system & infrastructure)
Training & Assistance (theoretical training, practical, computer systems, evaluation of gold & marketing)
Financial assistance for eligible cooperatives
Skilled and experienced workforce in the gold business
Protected by Takaful /Insurance
Market Potential
1. Open to the locals and foreigners
2. High level of awareness about the Ar - Rahnu fairer and friendly
3. Less cost than conventional pawnshop
4. Increased use of jewelry
Challenges
1. Public awareness about business opportunities
2. Capital and financial problem
7


Rapid expansion
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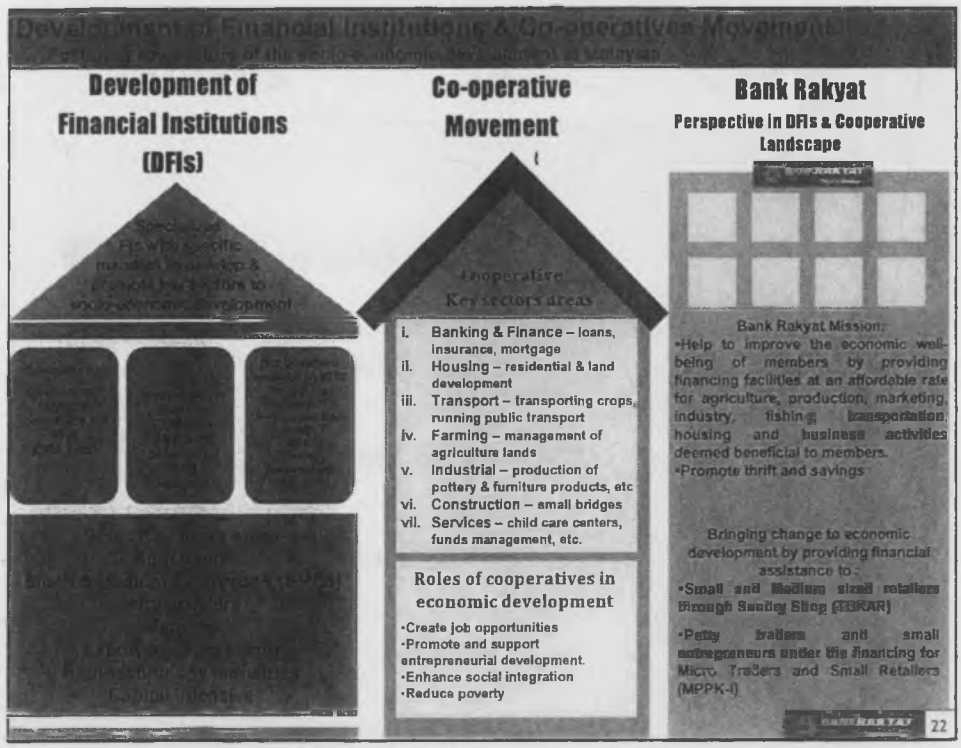

Development of Financial Institutions (DFIs)
Co-operative Movement
Bank Rakyat
Perspective in DFIs & Cooperative Landscape
Co-operative Key sectors areas
i. Banking & Finance – loans, insurance, mortgage
ii. Housing – residential & land development
iii. Transport – transporting crops, running public transport
iv. Farming – management of agriculture lands
v. Industrial – production of pottery & furniture products, etc
vi. Construction – small bridges
vii. Services – child care centers, funds management, etc.
Roles of cooperatives in economic development
•Create job opportunities
•Promote and support entrepreneurial development.
•Enhance social integration
•Reduce poverty
Bank Rakyat Mission:
•Help to improve the economic well-being of members by providing financing facilities at an affordable rate for agriculture, production, marketing, industry, fishing, transportation, housing and business activities deemed beneficial to members.
•Promote thrift and savings
Bringing change to economic development by providing financial assistance to :
•Small and Medium sized retailers through Sunday Shop (TEKAR)
•Petty traders and small entrepreneurs under the financing for Micro Traders and Small Retailers (MPPK-I)
22

Market Outlook
Changing Trends in Banking and Finance

Generation Y @ Gen-Y

- Tech-savvy - They grow with technology.
- Hyper connected - social network.
- Spend now ... Save later

New ways of doing business

- From online marketing to social media.
- Cashless transaction - reduced cheques and paper money
- Online business - young internet entrepreneurs (e.g. fashion products.
- Branchless - banking anywhere.

Financing support for SMEs

- Crowd-funding - "Peer-to-peer" financial support.
- Venture capital - Investment in start-ups and companies with growth potential.

Closer to customers

- Direct support & alert - SMS, online chat, apps.
- No boundary - Global market (e.g. Sereni & Shentel).

NH

Cooperative Finance & Risk Management

NACF, KOREA

Cooperative Banking Unit

2015. 6.

NH NATIONAL AGRICULTURAL COOPERATIVE FEDERATION

Contents

1 Introduction of NACF

History of NACF

- 1961 : Established NACF from the merger of agricultural cooperatives and Agricultural Bank in accordance with Agricultural Cooperative Act
- 1969 : Started cooperative banking businesses
- 1972 : Nongshinbo (Agricultural Credit Association) began to operate
- 1984 : Started credit card services

1 Introduction of NACF

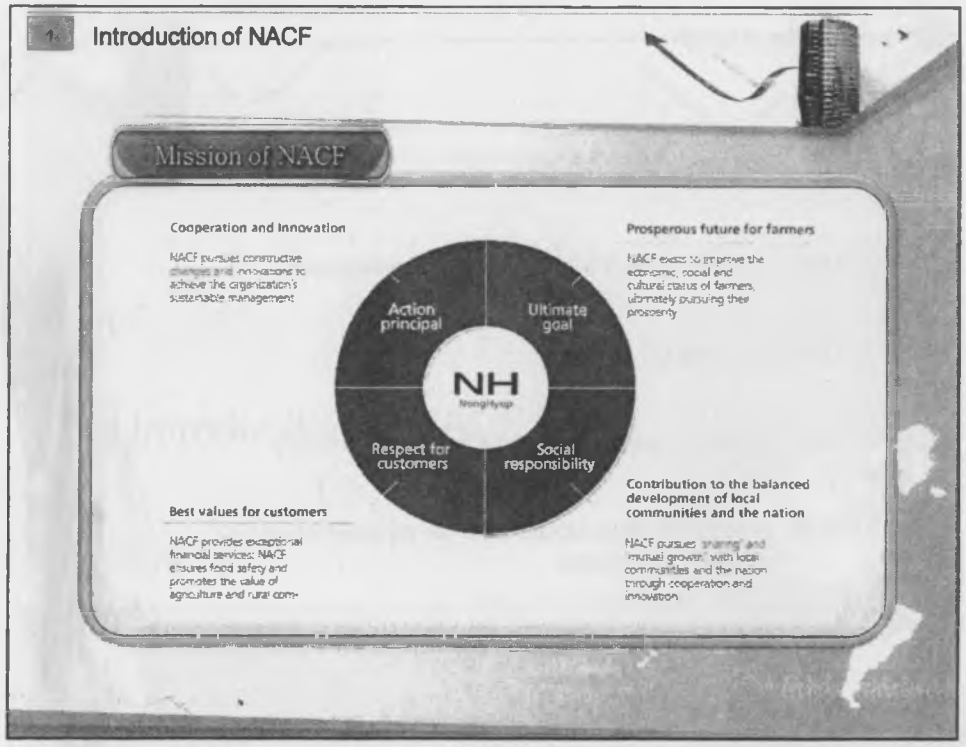
History of NACF

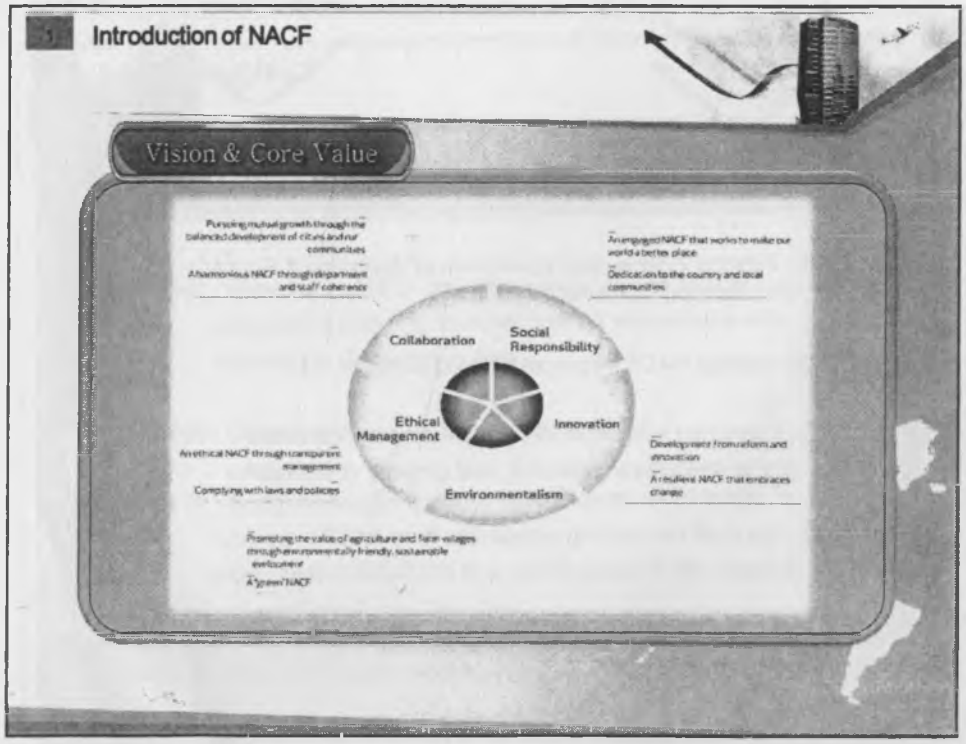
- 1984 : Started pension and fire insurance businesses
- 1985 : Launched IT center
- 1986 : Started to supply tax-free oil for farm machinery
- 1989 : Introduced direct elections for the representative of member cooperatives

1 Introduction of NACF

History of NACF

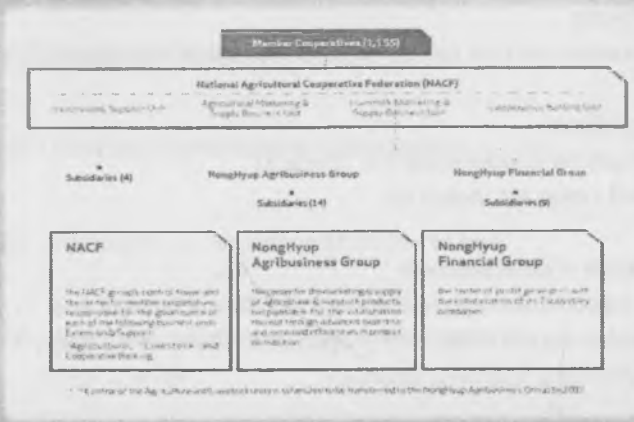
- 1995 : Initiated independent operations of'Marketing & Supply' and'Banking & Insurance'divisions
- 1999 : Initiated NACF's internet banking services
- 2000 : Launched integrated NACF by merging federations of the agricultural, livestock, and ginseng cooperatives
- 2012 : Spun off two holding companies from NACF; namely, NH Finance Group and NH Agribusiness Group


Introduction of NACF
Mission of NACF
Cooperation and Innovation
NACF pursues constructive changes and innovations to achieve the organization's sustainable management
Prosperous future for farmers
NACF exists to improve the economic, social and cultural status of farmers, ultimately pursuing their prosperity
Action principal
Ultimate goal
NH
Nonghyup
Respect for customers
Social responsibility
Contribution to the balanced development of local communities and the nation
NACF pursues 'sharing' and 'mutual growth' with local communities and the nation through cooperation and innovation
Best values for customers
NACF provides exceptional financial services; NACF ensures food safety and promotes the value of agriculture and rural com-


Introduction of NACF
Vision & Core Value
Pursuing mutual growth through the balanced development of cities and rural communities
A harmonious NACF through partnership and staff coherence
An engaged NACF that works to make our world a better place
Dedication to the country and local communities
Collaboration
Social Responsibility
Ethical Management
Innovation
Environmentalism
An ethical NACF through transparent management
Complying with laws and policies
Development from reform and innovation
A resilient NACF that embraces change
Promoting the value of agriculture and farm villages through environmentally friendly, sustainable development
A 'green' NACF

1 Introduction of NACF

Organization



2 Cooperative Banking of NACF

What is Cooperative Banking?

- Definition
  -A savings and loan service provided by member cooperatives
- Legal Basis
  - Agricultural Cooperatives Act, Article 57
  - Credit Union Act, Article 95
- Purpose of Establishment
  - To support autonomous economic activities of farmers and member cooperatives, and to improve their economic status by providing financing services

History of Cooperative Banking

- 1969 : Began to eliminate usury and contribute to the development of rural economies
- 1976 : All members joined cooperative banking
- 1982 : Began to issue banker's checks
- 1985 : Introduced an on-line network

History of Cooperative Banking

- 1989 : Began to offer tax-free savings
- 1995 : Created comprehensive on-line system
- 1998 : Established a depositor protection scheme
- 2000 : Additional registration of livestock coops and ginseng coops

2 Cooperative Banking of NACF

History of Cooperative Banking

- 2003 : 100-trillion won in deposits
- 2007 : 100-trillion won in loans
- 2012 : Enhanced the independence of business operations in accordance with the revised agricultural cooperatives law

Role of Member Cooperative Banking Business

To enhance the financial welfare of rural communities

- Delivering financial services to members
- Serving as an intermediary between urban and rural areas
- Developing various financial infrastructures

Role of Member Cooperative Banking Business

To implement agricultural policies of the government

- Serving as a pipeline for agricultural funds
- Improving banking systems for farmers

Role of Member Cooperative Banking Business

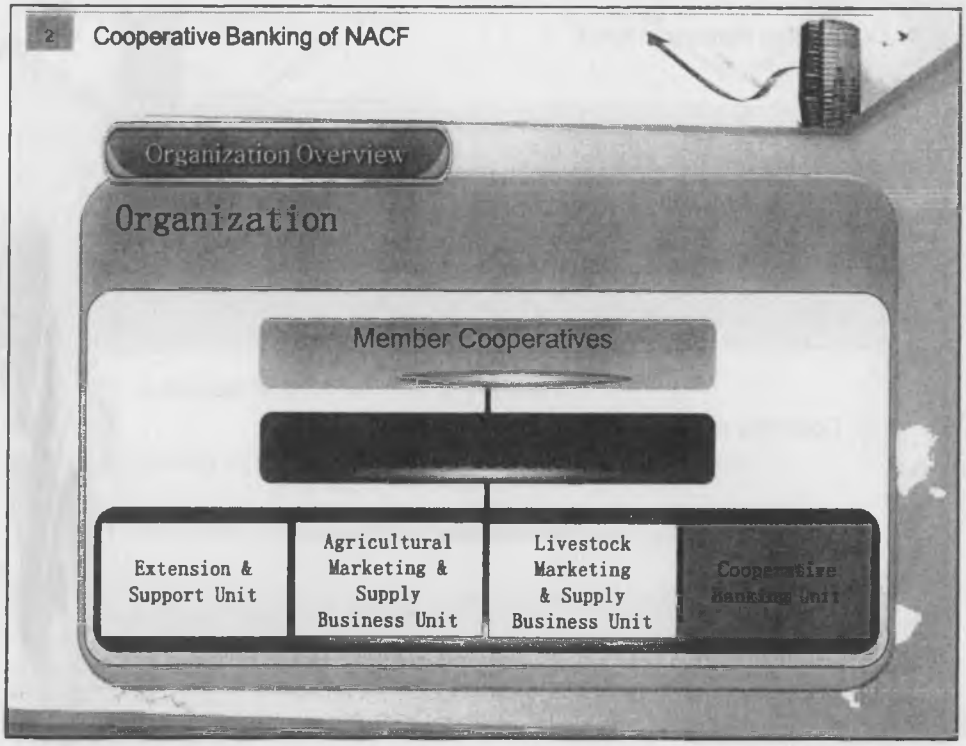
To encourage micro-financing

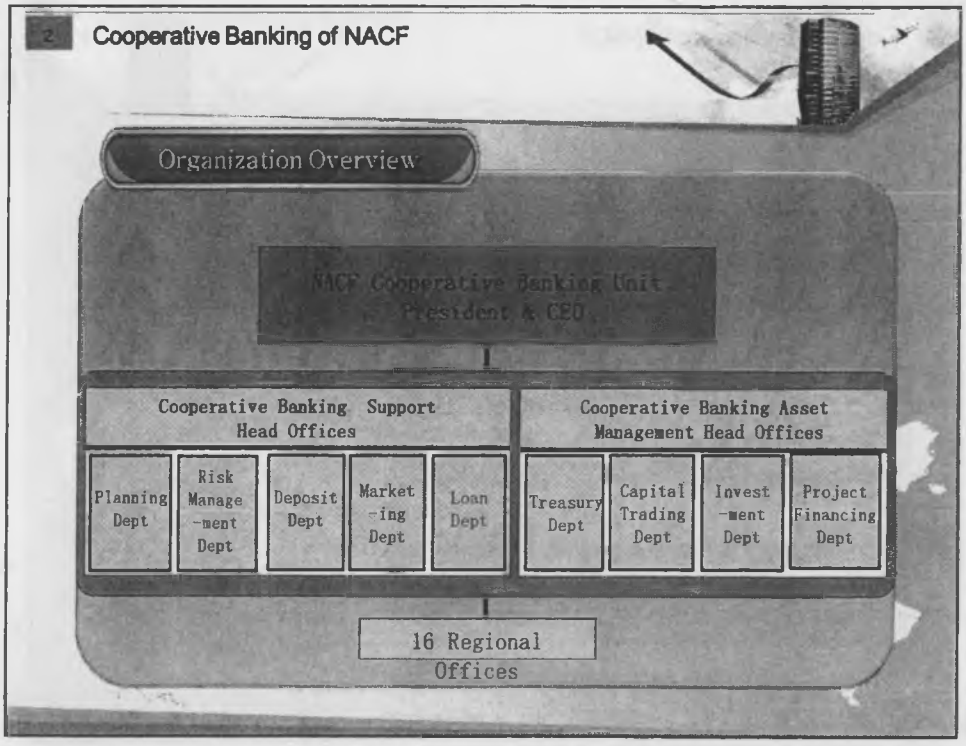
- Operating branches in remote areas
- Offering credit-supports to low-income earners

Role of Member Cooperative Banking Business

To generate a major source of revenue for member coops

- Contributing to the development of rural communities
- Promoting agricultural business fundings
- Offering business supports to farmers


2
Cooperative Banking of NACF
Organization Overview
Organization
Member Cooperatives
Extension & Support Unit
Agricultural Marketing & Supply Business Unit
Livestock Marketing & Supply Business Unit
Cooperative Banking Unit

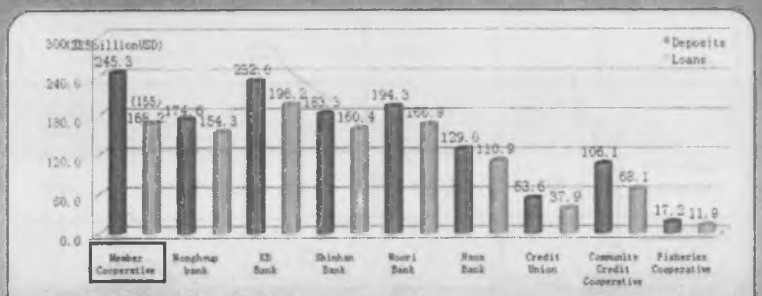

2
Cooperative Banking of NACF
Organization Overview
NACF Cooperative Banking Unit President & CEO
Cooperative Banking Support Head Offices
Cooperative Banking Asset Management Head Offices
Planning Dept
Risk Manage -ment Dept
Deposit Dept
Market -ing Dept
Loan Dept
Treasury Dept
Capital Trading Dept
Invest -ment Dept
Project Financing Dept
16 Regional Offices

Business Overview

Member Cooperatives

Deposits & Loans

No. 1 in Korea in terms of market share of deposits/loans



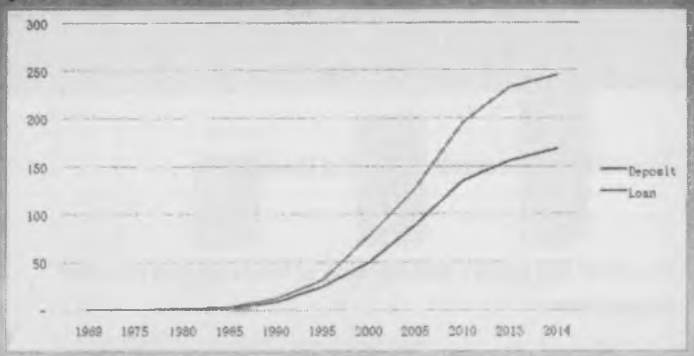
KRW in trillion; Dec. 31, 2014;

2 Cooperative Banking of NACF

Business Overview

Member Cooperatives

Deposits & Loans



KRW in trillion; Dec. 31, 2014;
1USD=1088.5KRW

Business Overview

Member Cooperatives

Branches & Employees

No. 1 in Korea in terms of the number of nationwide branches

	Member Cooperatives	Nonghyup Bank	KB Bank	Woori Bank	Shinhan Bank
Number of Branches	4,602	1,180	1,168	1,016	921
Employees (in thousands)	26	14	21	15	14

As of Dec. 31, 2014.

Business Overview

Independent Special Account(ISA)

Relationship between ISA and the Cooperative Banking Business Unit

- To guide the cooperative banking business
- To adjust the supply and demand of funds among member cooperatives

Business Overview

Role of ISA

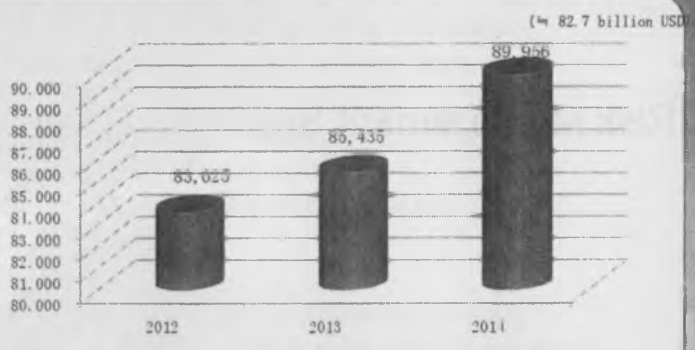
Central Bank	Federation	Investment
Reserve Account Management Liquidity Control	Strengthen Members' Network Build-up Business Foundation	Asset Management

↕

Member Cooperatives

Business Overview

Assets under Management

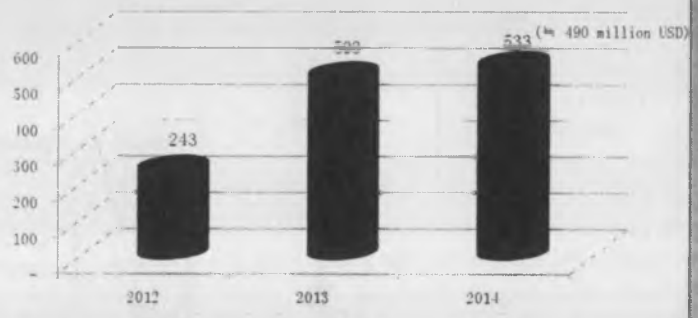


KRW in billion; Dec. 31, 2014; 1USD = 1088.5KRW

2 Cooperative Banking of NACF

Business Overview

Net Income

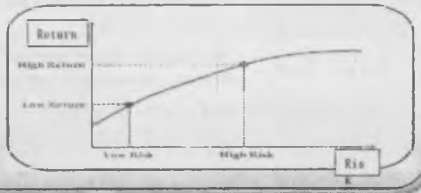


KRW in billion; Dec. 31, 2014; 1USD = 1088.5KRW

3 Risk Management System & Process

Risk ?

- Definition
  - Possibility of loss due to uncertainty of future
- Can it be controlled?
  - Risk itself ⇒ Uncontrollable
  - Extent of exposure, Duration … ⇒ Controllable
- Risk-return tradeoff
  - is risk always bad?
  - Choose adequate level of risk



3 Risk Management System & Process

Risk Management?

- Definition
  - Decision-making process of optimizing the portfolio to maximize returns within the given risk range
- Things to consider in risk management
  - Is the current level of risk acceptable?
  - If you should take an action, what it would be?
- Types of risk
  - Financial risk : Market, Credit, Interest-rate, Liquidity
  - Non-financial risk : Operation, Strategy, Legal, Reputation

3 Risk Management System & Process

Types of Risk

Types	Definition
Credit Risk	The risk of loss of a financial reward stemming from a borrower' s failure to repay a loan or otherwise meet a contractual obligation
Interest-rate Rate	The risk that an investment' s value will change due to a change in the absolute level of interest or spread between two rates
Liquidity Risk	The risk stemming from the lack of marketability of an investment that cannot be bought or sold quickly enough to minimize a loss
Market Risk	The risk of experiencing losses due to the factor that affects the overall performance of the financial market
Operational Risk	The risk of a change in value caused by inadequate or failed internal processes, people, and systems
Integrated Risk	Integrate all above [illegible]

(From [illegible])

3 Risk Management System & Process

Risk Measurement

Risk	Method
Interest rate	**Interest rate EaR** Changes of profit when the rate fluctuates 2% in disadvantageous way
Liquidity	**Liquidity gap (12 months)** Loss occurred in case of borrowing loans from ISA as much as liquidity shortage
Credit	**Required capital(Foundation-IRB, Basel II)** Risk Weighted Asset × 8%
Credit Concentration	**GA(Granularity Adjustment) Method**
Operation	**Required Capital(BIA, Basel II)** Average of past 3 years' total profit × 15%
Market	**Parametric VaR methodology**

Integrated Risk < [illegible]

3 Risk Management System & Process

Risk Management Process

- Analyze all risks affecting the profit and loss
- Set Risk Tolerance considering capital level, business plan, strategy …

Measuring

- Measure and evaluate risks by risk management system

Monitoring

- Monitor risk level and key indicators periodically
- Compare risk exposure to risk tolerance, report to the board of directors

Management

- Establish a proper risk management strategy
- Execute plans to reduce or maintain risks below a certain level

3 Risk Management System & Process

Risk Management Essential Checklist

Organization	☐ Risk Management Committee(quarterly), Council(monthly)
Report	☐ Risk Management Report(monthly)
Tolerance	☐ Observing risk tolerance set by Risk Management Committee
Liquidity	☐ Possibility of insufficient funds, loan-deposit ratio
Interest rate	☐ Profit changes according to the interest rate fluctuation
Credit	☐ Capital Adequacy ratio(BIS ratio)
Market	☐ Observing an investment limit, proportion determined by Committee

3 Risk Management System & Process

Risk Management Organization in Member Cooperatives

Board of Directors	• Approve risk management policy and strategy • Enact and amend risk management regulations
Risk Management Committee	• Establish risk management strategy and risk tolerance • Important decisions : Investment, interest-rate, funding …
Risk Management Council	• Discuss routines and repetitive risk management issues • Set detailed plans and limit of investment or transaction
Risk Management Team	• Plan, Control and Operate risk management processes • Must be independent from marketing organizations

4 Tips for Financial Business and Risk Management

4 Tips for Financial Business and Risk Management

Depositor Protection Fund

- Purpose
  - Enhance the credibility of banking services of member cooperatives by guaranteeing the payment of a deposit
- Legal Basis
  - Credit Union Act, Article 80
  - Restructuring Agricultural Cooperatives Act, Article 11
- Key roles
  - Pay the deposit instead of member cooperatives, in case of insolvency
  - Support M&As among member cooperatives

4 Tips for Financial Business and Risk Management

Depositor Protection Fund

- Fund Balance : 3,600 (KRW in billion; Dec. 31, 2014; 1USD = 1088.5KRW)

Funding	Protection	M&A Support
Members must reserve 0.18% of deposits, NACF operates the fund	1. Guarantee to pay customers' deposits up to 50 million won 2. In case of M&As, deposits are fully guaranteed to be paid by 'Transfer of Contract'	1. Prevent insolvency through management diagnoses and field check-ups 2. Provide financial supports for M&A members

4 Tips for Financial Business and Risk Management

Reserve for withdrawal request

- Concept
  - Reserve deposits of member cooperatives to prepare for sudden withdrawal requests
- Reserve balance : 24,000

  (KRW in billion; Dec. 31, 2014; 1USD = 1088.5KRW)
- Operation
  - ISA (Independent Special Account) in NACF functions as central bank

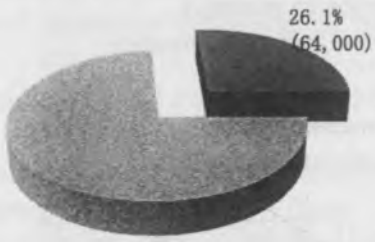
4 Tips for Financial Business and Risk Management

Tax-free Savings for cooperative members

- Concept
  - Exempting the interest income tax on farmers' savings to support composition of agricultural capital
- Legal basis
  - Restriction of Special Taxation Act, Article 89
- Registered cooperative (associate) members receive the benefit up to the limit of 30 million won per person
  - Exempting interest income tax (15.4%)

4 Tips for Financial Business and Risk Management

Tax-free Savings for cooperative members



(KRW in million; Dec. 31, 2014; 1USD = 1088.5KRW)

- Effects
  - Increases in savings and member registrations lead to early settlement and development of a coop's financial business
  - Customer loyalty is maintained as long as the benefit remains
- Legal risk
  - Amendment of the act

4 Tips for Financial Business and Risk Management

Expertise in Asset Management

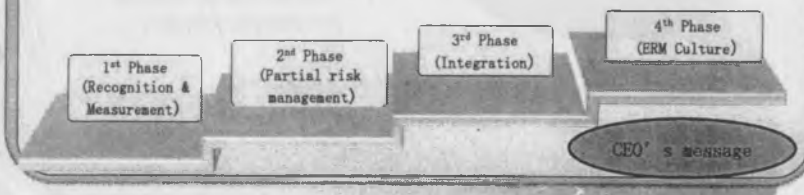
- The outcome of asset management is very important
  - Making sufficient profits with stable asset management helps cooperatives to deal with the fluctuation of economic variables
  - Profits are spent on promoting agricultural business growth

Reputational Risk Management

- Building customer loyalty by preventing accidents
  - A good reputation is the most valuable asset for financial companies
  - Protect customers from financial crimes
  - Check and resolve customers' complaints

Establishing 'ERM Culture'

- Enterprise Risk Management (ERM)
  - Risk-based approaches to manage an enterprise
  - Essential for sustainable growth of cooperative banking
- Education and Communication
  - Every employee needs to understand risks around cooperatives
  - Regular education and communication are necessary



Thank you

The practice and challenge of small cooperative finance in Bangladesh

"Microcredit" (Micro financing) the name is a emerging word in the underdevelopment country. This is the Socio-economic dream of mass people in the country those are living under poverty level. The definition or the image of Microcredit must be at variance from country to country. Some of the defining criteria used include- size - loans are micro, or very small in size target users – micro entrepreneurs and low-income households utilization - the use of funds - for income generation, and enterprise development, but also for community use (health/education) etc. terms and conditions - most terms and conditions for microcredit loans are flexible and easy to understand, and suited to the local conditions of the community.

Since very beginning in our sub-continental history is that, some land-lord (Jamider) distributes money among the Farmer (or Village Family) through high Interest with land mortgage or valuable worth/asset. Farmer Or Poor Village family should pay back after cultivation his land or product or Festival in due time. If any unavoidable circumstance he would not pay the money within the time period, he should be in trouble by the Land Lord or his Lathial Group & under physical touchier, sometimes he have to scarifies his daughter or Lovely wife. In this circumstances our Great Poet Nobel prize owner Poet Rabindranath Thakur Start allocate small loan (Microcredit) among the farmer with very small interest to build up their social business work to cross the poverty point.

In the Modern Global context, there are most popular "Grameen type Microcredit" procedures is very much eye catching for Commercial business platform. Most of the Financial Institutes, NGO's and Multilevel Society working in the poor level with high interest as commercial basis & going to richest person/Enterprises day after day. It is proven that, only Cooperative Microcredit system will be the right things for the poor level farmers or person those are fight with the present social situation & cross the poverty level.

The present story, current experience and highlights the strengths and weakness of the microcredit approach, including the administrative difficulties and limited linkages with other services for the poor. For ensuring that microcredit projects are established in a global context of support to the small enterprise sector. Responsibilities of authorities in this regard are emphasizing.

Continued.....

Technical CV

Md.Rafiqul Islam (Rabin)

GP-Za 129,2nd Floor ; Middle Badda
Gulshan,Dhaka-1212, Bangladesh.

Mobile: 880 167-8090562
Email: rafiq.bp@gmail.com

Date of Birth: 1st March 1959

ICA member, International Speaker, IT Support & Business Administrator, Social Evaluator.

Technical Expertise

Languages : Bangali,English,Hindi .

Operating Systems
Microsoft Windows XP Home & Professional

Additional Experience
Civil Engineering Consultancy.
Telecom Service Consultancy.
Printing Service Consultancy.
Export & Import Trading service.
Manufacturing unit consultant.

Networking Socio-Economical work in the Field.

Special effort Human rights for the underprivileged peoples.

Social Tour & Training

Social Training arrange for District level under the guidance of "Jaycees International"

Human resource, Management & Mind mapping Training attends at Mumbai in 1992

Office management & secretarial policy training participate at Dhaka in 1994

Printing Media & Photography training participate at Dhaka in 1996

Printing press operation training participate at Dhaka in 2001

Telecom engineering & Operation training participate at India in 2006

Social Views exchange with Tripura, India in 2008

Safety food product & Agricultural production, distribution policy training participate at IDACA,Japan in 2011.

Socio-Economical activities by Coop member, an International Conference; conducted by Shekhar Bharoti, Bhopal India in Feb'2012

Cooperative Enterprises build a better world, an International Conference; Conducted by MKM & Angkasa ,Kualumpur Malaysia in March'2012

The 2nd World Fisheries Cooperative Day International Conference, Conducted by Vietnam Cooperative Alliance at Da nang in June'2012

16th Indian Cooperative Congress,25-26 June 2013, New Delhi,India

ICFO meeting in Bali, Indonesia in September, 2014

1st Asia Pacific Conference of Credit & Banking Cooperatives on Opportunities Through Islamic Banking; Conducted by ICA-NACF-ANGKASA ,Malaysia in December'2014

Work in Social field

Jan'1977 - Dec' 1991	Rover Scouting Bangladesh National Rover Scout, Dhaka Field Survey, Data procurement & Planning work for Village level.
Jan'1992 – Feb' 2002	General Legal Counsel Bangladesh Junior Chamber International (Old Name: Bangladesh Jaycees) Field Survey, Data procurement & Social work & functioning work for Urban level.
March' 2002-Feb'2006	Vice –President Mid-Town Lions Club of Bangladesh (Area : B2), Dhaka Social work & Field Survey, Data procurement work for Town level.
March' 2006...cont.	counsellor Agricultural Cooperative Society, Patgati, Gopalgonj Planning & Execution policy making work for Village level.
April'2007 ...Cont.	Co-ordinator Bangladesh National Cooperative Union (Bangladesh Jatiya Samabaya Union BJSU), Communications, Planning & Execution policy making work for National level.
Jan'2009...cont.	Director (International) Bangladesh National Cooperative Union (Bangladesh Jatiya Samabaya Union, BJSU) Communications, Planning & Execution policy making work for International level. Social work Survey, Data procurement & Planning work for National level.

Employment History

Jan'1990 – Aug'1992	Assistant Engineer K. Anwar & Brothers Beatifications & Renovation work of National Assembly House.
Sep'1992 –Dec'1995	Consultant Engineer Rural Electrification Board Construction & Renovation work of Rural Electrification Society Complex.
Jan'1995 – Dec'2000	Project Engineer KABICO Construction & Renovation work of Civil Aviation Authority of Bangladesh. Construction & Renovation work of Military Engineering Service.
Jan'2001 – Nov'2004	Project Engineer Genesis Printing & Packaging Construction ,Renovation & Operation work of Printing Media.
Dec'2004 – July' 2007	Project Director Westec Ltd. Construction, Establish &Operation work of Bay phone Telecom service.
Sept'2007—Cont.	Managing Director ITS LIMITED Development & trading work of International Business.
March'2011 ..Cont.	Director (Technical) Rumi Fish Feed Industries Ltd & Auto Rice Mills, Auto Flour Mills Ltd. Construction, procurement & operation work for Export trade.

中国供销合作社
CHINA CO-OP

ICA-ACFSMC Small Cooperative Finance and Risk Management Training Course

June 8 – 13, 2015, Nantong, China

Central Cooperative Society Limited

Country Paper

Presented by

U Min Lwin - General Manager

Aung John Bo - Assistant Manager

Introduction

1. After nearly (50) years of dictatorship and authoritarian rules, Myanmar is back on the right track for the democratic development. The new government, in its policy address, have had declared its action plans, where three of it, are engaged with cooperatives. Myanmar cooperative movement consists of 31907 societies with Central Cooperative Society as its apex organization. Although our cooperatives are involved in all sectors of economy, that is production, services and trade, most of the cooperatives in the movement are agriculture and savings and credit cooperatives and others are some small services and trading cooperatives.

2. Out of all the constraints and difficulties faced by cooperatives, the most severe one is financial needs. CCS in its capacity as the apex organization has had help the cooperatives with their financial needs, where a total of 21billion kyats were disbursed as loans to the cooperatives. Today, CCS is in the process of establishing financial network among able cooperatives and at the sametimecollaborating for bilateral relationship with international cooperatives and organizations. On the other hand UN Capital Development Fund in collaboration with CCS and ACCU,is financing a project known as "micro lead", to help cooperatives with financial inclusion, and savings mobilizations.

Small Loans to SME Cooperatives

3. There are 44749 fully registered SMEs in Myanmar. The industry sector's, principal manufacturing activities are related to the processing of agricultural resources with food and beverage production generating more than half of the gross manufacturing output followed by construction material industries contribution 7.58% and garment industries contribution 4.83% of the total.

4. Myanmar is home to 70% of rural population and 30% of urban population, and most of the rural people are in poverty, where 26% of poverty exists in 2010. Government is implementing eight tasks of rural development and poverty alleviation campaign to reduce the poverty rate to 16% in 2015.

5. The criteria for defining small enterprise is mostly based on the characteristic of machine power and number of labor. Machine horse power between 5 and 2.5 and labor less than 3 is considered small enterprise. Locally, small and medium enterprises contribute to the employment share in low income economy like Myanmar and on the other hand, international financing agencies like to improve access to finance for the small business.

6. Myanmar government is putting emphasis on development of small and medium enterprises (SMEs) and has recently formed a central committee for further development of SMEs, pivotal for national economic development and promotion of social-economic status of people. Government supports small loans to SME cooperatives, and each members labors is entitled 50,000 kyat as small loan.

Small Loans to Agricultural Cooperatives

7. The government projects that 63983 cooperatives (one per village) will be formed with startup capital of 10 million Kyat per cooperative. A further 50 million Kyat per cooperative will be distributed as the capacity of the cooperatives develops, for a projected total of 3.6 trillion Kyat in lending through cooperatives by 2015. Loans are targeted at poor farmers, hawkers, and shopkeepers in rural communities. Interest rates for loans provided by the cooperatives will follow rates established by Directorate, under the Microfinance Law of 2.5 percent per month, and 30 percent per year. Auditing of lending activities will take place through monthly internal audits required by each cooperative and semi-annual audit by the Department of Cooperatives.

8. Agricultural cooperatives contribute rural development and poverty alleviation by rendering small loans as follows;

(a) Disbursement of loans a working-capital directly to the farmer members,

(b) Loans are also available to the landless farmers on condition that their unit guarantors guarantee for them,

(c) Loans are also eligible to members who breed livestock and

(d) Loans are also released to hawkers, vendors, landless laborers and petty shopkeepers in rural areas who are members of cooperatives.

9. Cooperative Movement in Myanmar is striving to build a network that is to establish a lending centre for cooperatives. Most of the savings and credit cooperative societies are successful and member's savings are about 30 billion kyats. These savings could be mobilized through our Union of federations and leased as loans to our member farmers. But at this stage, each of the farmers needs about 500,000 kyats per acre for farming. At present, the movement has released a total of over 200 billion kyats to 2 million cooperative household from twenty three thousand societies, in 307 townships within the 15 Regions and States. In this amount of 200 billion kyats 100 million USD a loan from Exim Bank of China is included. To this agricultural cooperative members are very grateful to the people of China.

Risk Management

10. Cooperative microcredit activities are implemented so as to relief financial burden on the cooperative member farmers, caused due to the high interest rate charged by the loan sharks.

11. After 4 of 5 years' time, with the present amount of savings made by the farmers, they will be able to afford their own investment without any external loans. The present of loans to the farmers are very beneficiary for the member farmers, but it carries many risks for the cooperatives.

12. As it was in the past, cooperative members duly pay back the loans they have borrowed from the society without any defaults. We hope that the present new loan scheme will also have the same outcome from the member farmersinrepaying back the loans. Thereby, from the verybeginning, a township loan scrutinizing committee was formed with a thorough scrutinizing on individual members who need loans and also forming self-help groupwith 5 to 10 members, where they have to sign loan certificate

together with collateral of their own,such as farm plots and housing. Due to mishap,any loss of loans must be paid back by selling the collateral owned by the member farmer and any short comings must be paid by the self-help group remaining members.

Conclusions

13. In today's world, and especially in Myanmar, the cooperative sector welcomes additional financial assistances with financial inclusion. The loans must be able to invest in viable micro-enterprise, that is why it is said that micro-loan are not-just-loan but it is also linked for the development of micro-enterprise. Moreover it is also vitally important for the micro-enterprise holders to have complete information in regard to assure markets and demands.

14. SME cooperatives and agricultural cooperative societies must have complete risk management process, where loans where utilized in accordance with the plan. Because of being social capital, systematic use should be administered, quality products must be produced. To fulfill these important outputs, the directors, staff and all the stakeholders must unite and work hand in hand. On the other side necessary precautions and monitoring must be introduced to that any mishap in regard to the loan should be avoided.

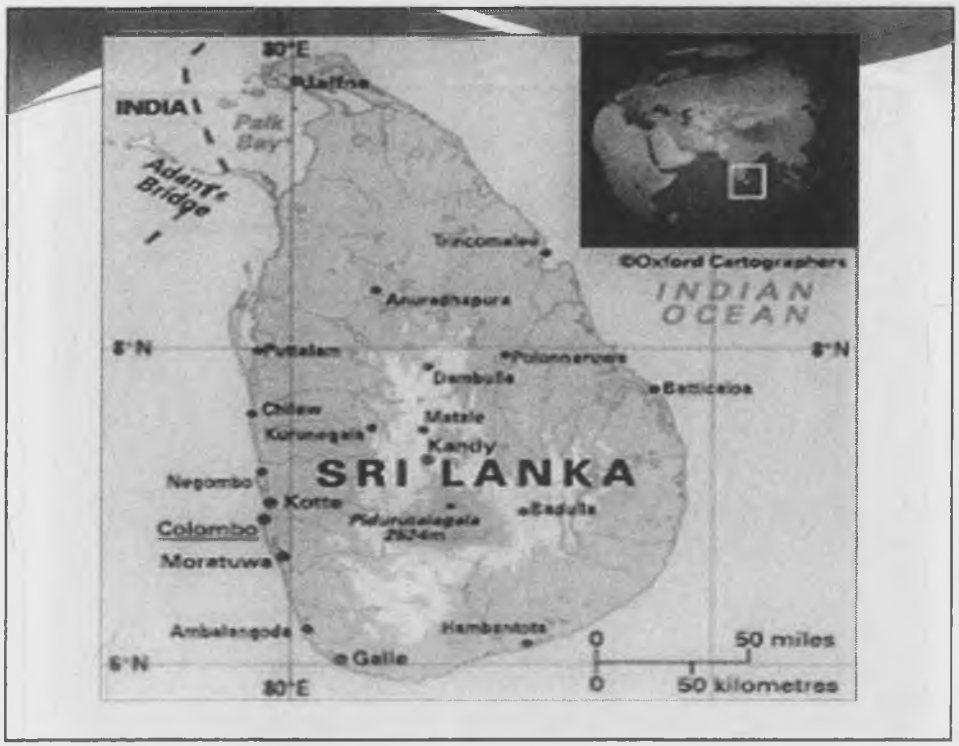
Thank you.

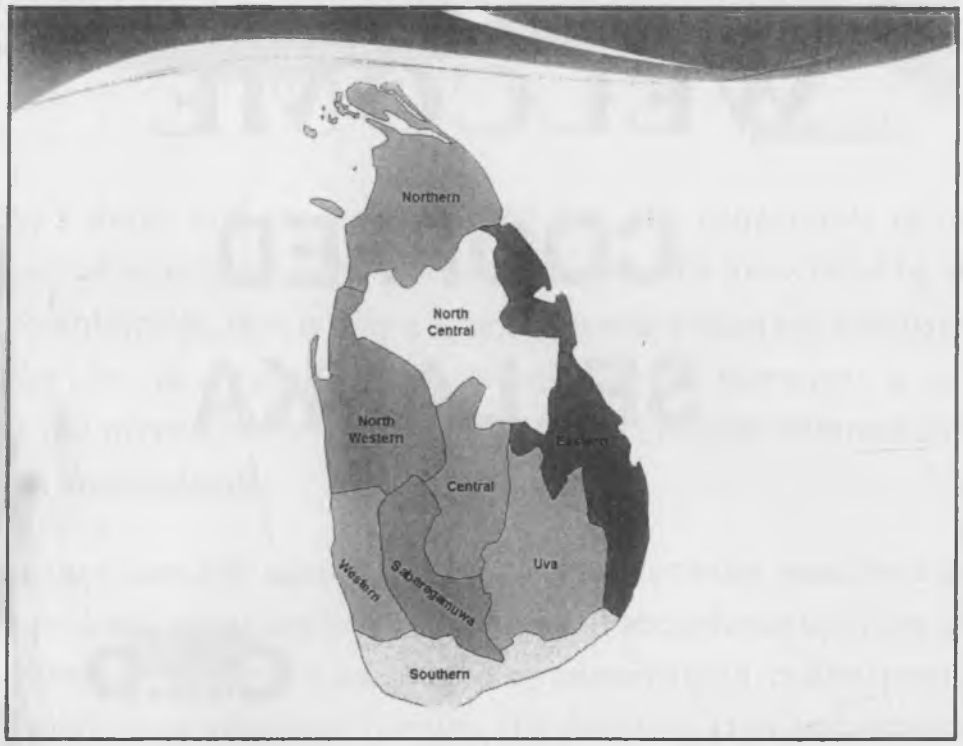
XieXie

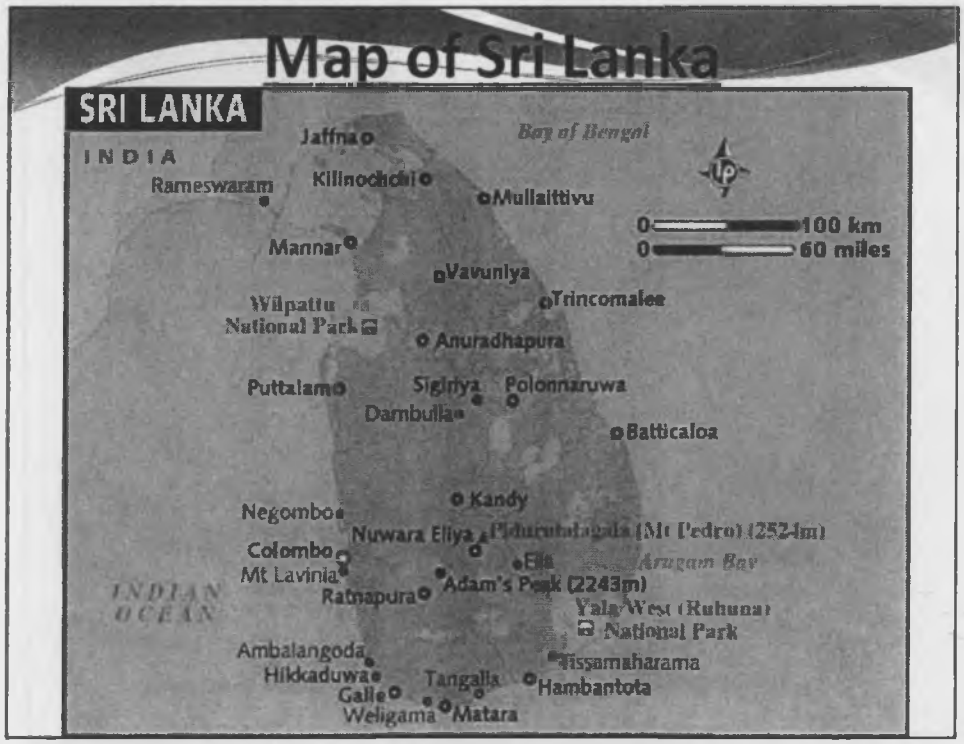
f Accountant

WELCOME

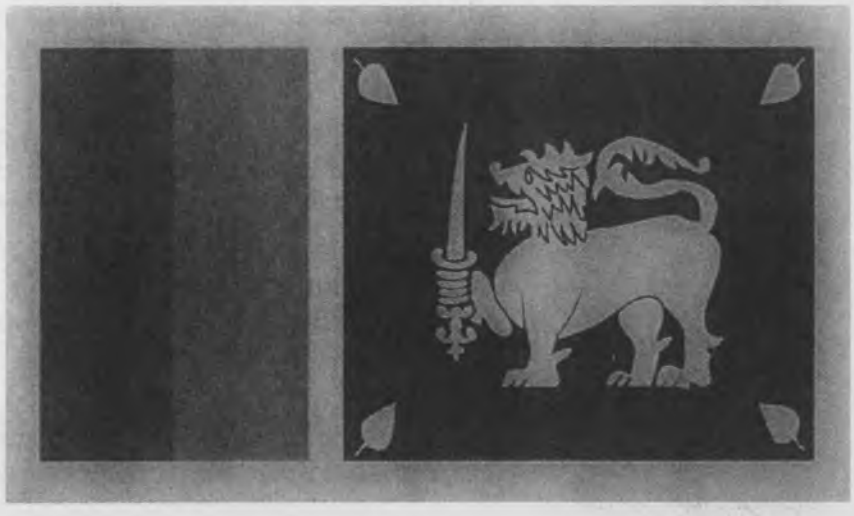
COOPFED
SRI LANKA




Northern
North Central
North Western
Eastern
Central
Uva
Western
Sabaragamuwa
Southern


Map of Sri Lanka
SRI LANKA
INDIA
Jaffna
Bay of Bengal
Rameswaram
Kilinochchi
Mullaittivu
0 100 km
0 60 miles
Mannar
Vavuniya
Trincomalee
Wilpattu National Park
Anuradhapura
Puttalam
Sigiriya
Polonnaruwa
Dambulla
Batticaloa
Kandy
Negombo
Nuwara Eliya
Pidurutalagala (Mt Pedro) (2524m)
Colombo
Ella
Arugam Bay
Mt Lavinia
Adam's Peak (2243m)
Ratnapura
INDIAN OCEAN
Yala West (Ruhuna) National Park
Ambalangoda
Tissamaharama
Hikkaduwa
Tangalla
Hambantota
Galle
Weligama
Matara

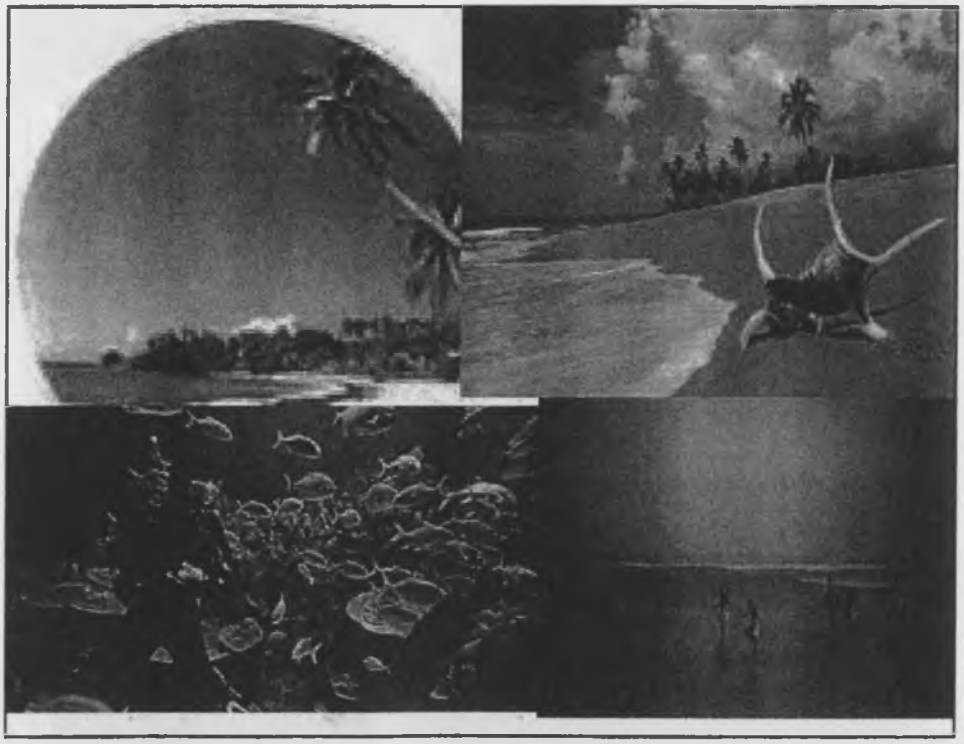
Miracle of the Asia is Sri Lanka



President of Democratic Socialized Republic of Sri Lanka

Beauty of Sri Lanka

- Sri Lanka is a phenomenal island destination that beautifully lies in the Indian Ocean.
- This pear shaped tropical island is well known for its spectacular blue seas and stunning golden beaches.
- Sri Lanka became the most peaceful country with enthusiasm in all over the country.
- Sinhalese are major nationality and minor are Tamil, Muslim, Indus.



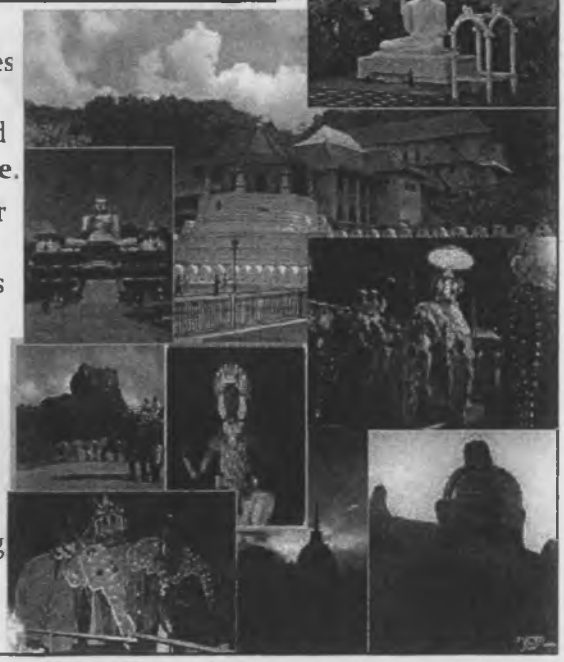
Structural background

- Major economic sectors of Sri Lankan are
  - Agricultural Sector
  - Industrial Sector
  - Service Sector

- Other major Important sectors of Sri Lanka are
  - Cultural and Heritage
  - Tourism sector
  - Fishers Industries
  - Forest and Wild safari

Cultural Heritage

- Sri Lanka's richest archaeological heritage sites which remind the great civilization of 2500 year old are in the **cultural triangle**.
- It is situated in the center of the island covering the world heritage sacred cities such as Anuradhapura, Plonnaruwa and Sigiriya.
- In addition Kandy is considered as the Cultural capital of Sri Lanka due to the ancient temples, the cultural activities including Kandyan dance and many more.



Tourism sector & fisheries industry

- Elephant and wildlife safaris in Yala, Uda Walawe, Minneriya are the most popular for safari adventure.
- The beauty of hill country is presented by the waterfalls, tea plantations and surrounded misty mountains with magnificent.
- Sri Lanka provides lots of opportunities for an adventure traveler. From soft adventure to hard adventure

THANK YOU.

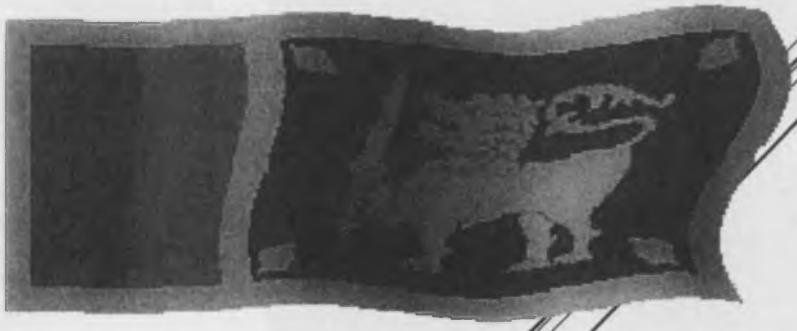
D S K Pathirana
Chief Executive Officer / General Manager
Sri Lanka Consumer Cooperative Societies Federation Limited
No 11, Sounders Place, Colombo 12, Sri Lanka.

COOPERATIVE ENTERPRISES BUILD A BETTER WORLD

Welcome

SRI LANKAN COOPERATIVE CULTURE & ITS TRENDS

Presented by
Dr. Sunil Silva
CEO, National Cooperative Council of Sri Lanka



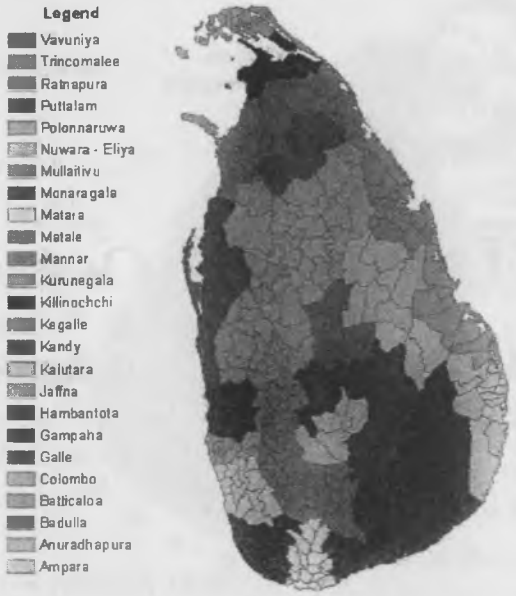
SRI LANKAN COOPERATIVE MOVEMENT

- History
- Philosophy
- Culture
- Governance & Institutionalization
- Action
- Roles & Function
- Government Collaboration & Partnership
- Issues & Obstacles
- Future Development Context

SRI LANKA

Sri Lanka is a magnificent island southeast of India. With palm trees blowing in the wind along beautiful white beaches, it has been considered a tourist paradise. Today it is a ravaged country, wounded by a long civil war and demolished by the tsunami in 2004, which was convinced & committed to enlightened by COOPERATIVE strategy in a sustainable manner The Cooperative sector is involved as community empowerment role in depth context through a community driven approach.

SRI LANKA – 25 ADMINISTRATIVE DISTRICTS
27 COOPERATIVE DISTRICTS



TOPOGRAPHICAL MAP OF SRI LANKA

SRI LANKA

GENERAL BACKGROUND

GENERAL FEATURE AND ECONOMY

Pearl of the Indian Ocean

Granary of the East

LOCATION & CLIMATE

- Longitude : 79° - 82°
- Area : 65,610 sq.kms.
- Length : 432 Km
- Breadth : 224 Km.
- Rainfall : Around 2020 mm.
- Temperature : Around 21 – 30 C
- Latitude : 5.55' & 9.50' North

DEMOGRAPHY

- Capital : Colombo (financial) Sri Jayawardenepura (administrative)
- POPULATION : 21.23 Million
- Density : 308.4/km^2
- POPULATION GROWTH RATE : 1.1
- Adult LITERACY RATE : 92.5%
- Education is compulsory & equal opportunity in provided
- Ethnic Group : Sinhala (73.9), Tamil (12.6), Moors (7.4%), Indian Tamil (5.3%), Others 0.5%
  Religion : Buddhism, Hinduism, Islam, Christianity
  Language : Sinhala, Tamil, English

independent Day : 04 February 1948

- G D P GROWTH RATE : 7.3 % (2013)
- UNEMPLOYMENT RATE : 6.5%
- PER CAPITAL INCOME : US$ 1972 (2013)
- AGRICULTURAL SECTOR : 19% GDP
- POPULATION BELOW PROVERTY LINE : 23.9%
- Life expectancy at birth : 74.3
  HIV prevalence (15-49 years) : 0.1 %
  Population with sustainable access to improved water source : 79 %
  Extreme poverty : 24 %
  HDI rank 2013 : 93 (totally 177)

(Source: Human Development Report 2013)

SOME EVENTS AND FEATURE : INTERESTING PLACES


Ancient Sri Lanka


'Sigiriya' The Palace & Fortress in The Sky


Colombo


World Trade Centre


TEA


Peradeniya University

Supreme Court


Mosque


Lord Buddha Statue


Hindu Temple

SRI LANKA ECONOMY OVERVIEW

- 78% of economy based on agriculture
- Rural and estates population living in poverty
- Open Economy
- Rich in Nature
- Potential accesses
- Tsunami disaster in 2004
- End of civil war in May 2009

AN OVERVIEW OF PROCESS OF COOPERATIVE MOVEMENT

- The origins of the Cooperative Movements in Sri Lanka could be traced to the formation of the first Cooperative society in 1906 - the Dumbara Cooperative Credit Society.

- The first Cooperative law was enacted in 1911 with the registration of the Cooperative Credit societies ordinance of 1911. This Act made it possible for the registration of only credit societies but, subsequent amendments made it possible for the establishment of other types of societies as well as secondary and tertiary institutions.

OVERVIEW CONT…

- This re-vitalization of the Movement brought about a re-organization of the federation and consequently on 26 July 1972 the Cooperative Federation of Ceylon was re-established and registered as the National Cooperative Council of Sri Lanka. This new institution was recognized as the National Apex Organization of the Cooperative Movement of Sri Lanka and the authoritative spokesman for the Movement nationally and internationally

OVERVIEW CONT….

- In 1930 the Department of Cooperative Development was established. The Movement developed gradually under state sponsorship and it was felt that an organization at the Apex level was required for expression of collective views on matter of Cooperative policy, education, training, extension and publicity. With this in view the Cooperative Federation of Ceylon was established in 1955.

- In 1970, according to the recommendation of the Royal Commission appointed to look into Cooperative Movements in 1968, primary Consumer & Fisheries societies were amalgamated in to economically viable larger units and emerged as Multi-Purpose Cooperative Societies.

OVERVIEW CONT..

- The present practicing legal enactment is the Cooperative Act No.5 of 1972. With the 13th amendment to the Constitution of our country the activities of the Cooperative Movement were decentralized and the Provincial councils act No.42 of 1987 resulted in a devolution of power to Provincial Council. Consequently the NCC was also decentralized.

INITIATION OF CO-OPERATIVE MOVEMENT

- **Existence since the beginning – Attam System.**
- **Introduced as Movement by British Rulers to over come.**

- Farm indebtedness.

- to facilitate credit disbursement.

- to systemize agricultural credit & inputs

- to distribute farm produces

AN OVERVIEW - CO-OPERATIVE SOCIETIES

- An overview
  - 16,000 primary co-op societies
  - 65,000 Cooperative employees
  - 8.1 million members
  - 14 Apex Coops
  - 37 Island-wide Coop Societies

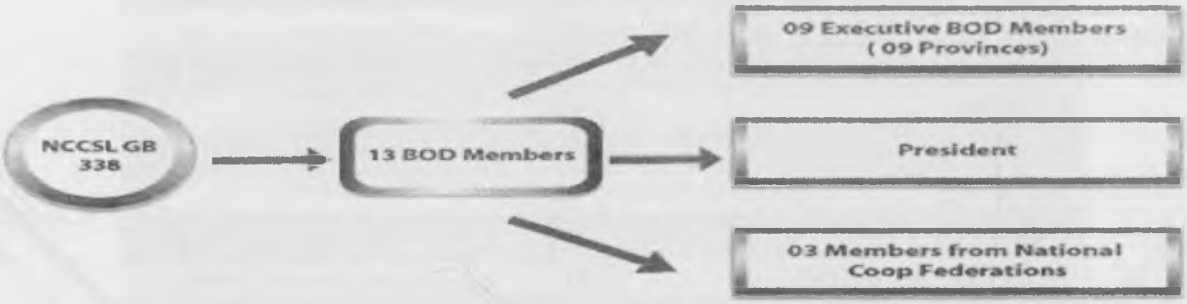
  - Coop Sectors & Activities:
    - Multi-purpose Cooperative Societies (Consumer and Trade)
    - Agriculture & Marketing
    - Rural Banking, Saving and Credits (SANASA)
    - Agro Industry, Textile and Home-based industry
    - Artisanal - Arts & Crafts
    - Tea, Rubber and Coconut industry
    - Dairy products
    - Fishery
    - Housing State Housing
    - Rural Tourism
    - Coop Hospitals
    - Youth, Women, Children & other social services
    - Schools & Universities

NATIONAL CO-OPERATIVE COUNCIL OF SRI LANKA - STRUCTURE

National Co-operative Council of Sri Lanka (NCC)

- 13 Executive Board Members
- 27 District Co-operative Councils & 06 Regional Training Centers
- 14 National Cooperative Business & Service Federations
  - Consumer Co-operative Federation (COOPFED)
  - Marketing Co-operative Federation (MARKFED)
  - Cooperative Rural Banking Federation
  - Thrift & Credit Cooperative Federation (SANASA)
  - Industrial Cooperative Federation (Ceyesta)
  - Institutional Thrift & Credit Cooperative Federation
  - Textile Producers Co-operative Federation (COOPTEX)
  - Milk Produces Co-operatives Federation
  - Fisheries Co-operative Federation
  - Tea Producers cooperative Federation
  - Coconut Producers Co-operative Federation
  - Youth Services Co-operative Federation
  - Thrift & Credit Society Resource Management cooperative Federation
  - Hospital Services Cooperative Federation

STRUCTURE – NATIONAL COOPERATIVE COUNCIL OF SRI LANKA (NCCSL)



324 District Coop members + 14 Apexes Members = 338 Members

Structure cont..

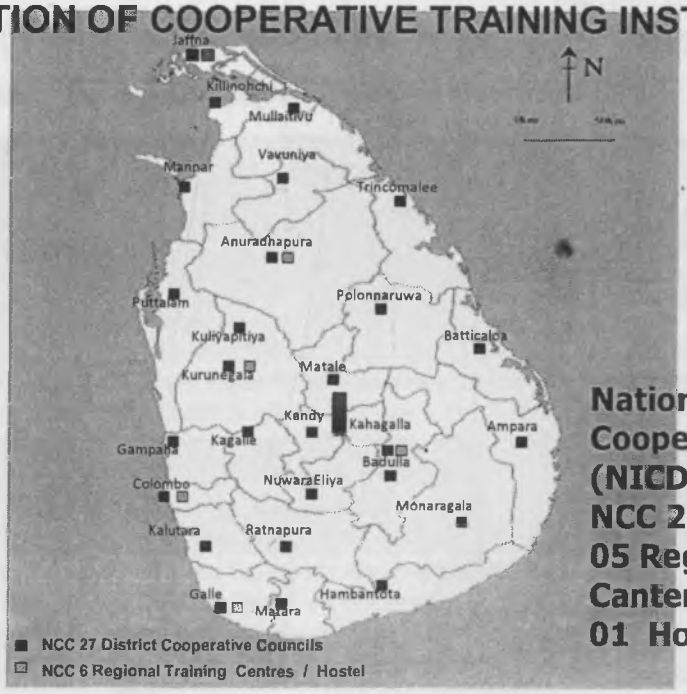
27 Districts (12 members in each District), 09 Provinces

Western	Southern	Uve	Sabara gamuwa	North Central	North West	Central	North	East
Colombo	Galle	Badulla	Kegalle	Anuradhapura	Kurunegala	Kandy	Jaffna	Trinco
Gampaha	Matara	Monaragel a	Ratnapur a	Pollonnaruwa	Cilaw	Matale	Kilinochchi	Baticaloe
Kalutara	Hambantota				Kuliyapitiya	N'Eliya	Mulathiu	Kalmunai
							Mannar	Ampara
							Vuniya	

Classification of Membership

Society Categories	Primaries
Multi Purpose Cooperatives Society	306
Sanasa (Thrift and Credit Union)	8400
Dairy	7
Fisheries	544
Textile	14
Marketing	130
Industry	182
Artisanal – Art & Craft	21
Coconut	8
Rural Bank	1703
Tea (9 Factories)	5
Youth	26
Hospital (Rural Clinics 87)	08

LOCATION OF COOPERATIVE TRAINING INSTITUTS



National Institute of Cooperative Development (NICD)
NCC 27 District Councils
05 Regional Training Canters
01 Holiday Resort

INTERNATIONAL LINKAGES

- Member, International Cooperative Alliance (ICA)
  NCC, NICD, COOPFED, SANASA
  ICA BOD Member, HRD, Vice President Agriculture, Member, Audit & Control , Hospital, Gender Committees
- NCC/SCC HRD Management & Development Project:
  - Leadership Quality Development
  - Managerial Skills Development
  - NCC Capacity Building
  - Cooperative Policy & Legislation (Amendments to Coop ACT
- CICTAB-INDIA Youth Women and Leader Empowerment Project
- NEDAC Cooperation
- JAPAN – IDAKA learning program
- CHINA – RE cycling program and exposure programs
- Bulgarian Cooperative Development Project
  - Trade & Commerce, Youth & Women, Tourism, Housing, Small Industries
- Russian Education Exchange Program
  - CENTROSOJUZ OF THE RUSSIAN FEDERATION
- Italian Cooperative Movement LEGACOOP
  - Tsunami Disaster Recovery / Organic TEA Project

- Gender proficiency in General Body through BOD, making compulsory chances to elect at least one woman in each District
- Change of BOD membership in different elections in different Districts
- NCC Chairmanship in continuously for TWO times, after one session he/she could come again
- More opportunity to elect minor communities
- Structural and human planning is accept by GM

RECENT CHANGES MADE IN CONSTITUENT

Lessen Learnt

- Networking between Cooperative is essential for efficiency and productivity
- Better coordination between the government and the cooperative movement
- Learning from international counterparts
- COOPs as a tool, instrument & vehicle for Disaster & Affected time and situations

FUTURE GOALS

- Business development & Cooperative advantages in Business innovation
- Increase profitability & efficiency
- Improve customer orientation & quality
- Enhance worker performance and attitudes
- Quality Leadership & Professional Executives
- Long-term Sustainability

- Reform of National Cooperative Policy & Amendments to Coop ACT
- Diversified Cooperative Business (Introduction of Mini COOPs and COOPs Cities)
- Development of the capacity of the Cooperative Rural Banking Network

PRESENT GOVERNMENT CONTRIBUTION & ENGAGEMENT ON COOPERATIVE DEVELOPMENT

- Government has declared a favorite policy for the coop development which reflected especially in the government Budget

- The benefits to the coop societies from the Budget proposal and the policy implications

  1. Exception from Income tax for a period of five years.
  2. Exemptions from Value Added Tax(VAT), Debit Tax including withdrawing Tax on interest earned.
     - The tax rate of 5 % imposed on cooperative will be removed.
     - The 10% withholding Tax imposed on the interest accruing on the deposit made by a cooperative society in a bank or a financial institution will not be charge.
     - The relief of Rs. 200,000/= granted on the interests on deposits made by senior citizens will be extended to the interest accruing on deposits made in the cooperative Rural Banks on will.

Contribution Cont.

3. **Linking over 300 cooperative societies which are scattered Island-wide with LAK SATHOSA outlets that are to be expanded.**
4. **Modernizing of outlets to be able to distribute essential commodities to consumers with grants up to maximum of Rs. 1 Million that will be given to coop societies.**
5. **Writing off all long and interests due and all unpaid taxes of cooperative societies in order to revive the cooperative movement.**
6. **Remove of taxes on essential commodities which will be confined only to LAK SATHOSA outlets, Cooperative societies and Budget shops and distribution of a welfare pack containing essential commodities at tax free prices to low-income groups through these outlets.**
7. **Settings up of cooperative societies in plantation and Neighbouring areas, in a priority, in order to ensure the success of the programme of making available rice at concessionary prices to the communities in the plantation and Neighbouring areas.**

- Minimum purchasing price of paddy from the producers.
- Government fertilizer support scheme for paddy and other crops.
- The government agricultural program "Api wawamu- Rata nagamu" (Let us grow-Let us develop)
- programs of "yaya production and "Saruketha Yaya" and re-cultivation of abounded paddy lands"
- "Gama Naguma" (village development) and "maga Naguma" (road development programe)
- Agri livestock development loan scheme
- compressive credit scheme for agri development
- Fisheries harbor development program.

Measures taken by government to enhance the production and productivity of the Agri sector

- Introduction of a new CESS on certain imports.
- Changes to existing CESS rate
- 5 % CESS on Wheat flour and imported grains in order to encourage Rice and other grains.
- Imposition of 25 CESS on imported maize to encourage the local maize farmers.
- Increase of import duty on wheat grain to 10 % to the consumption and production of encourage rice and other grains.

Production and productivity . . .

- Increase of the special commodity levy on potatoes from Rs. 15 to 20 per Kg to encourage the local potatoes farmers.
- Increase CESS rate substantially on selected categories of imported fruits inline with the government plan to increase the current level of fruit production to one million tons.
- Continue of the fertilizer support scheme to stimulate the agricultural renaissance.
- Despite worldwide fertilizer prices increasing to 6000 per 50Kg bag clearing the year all verities of fertilizer were made for Rs 350 per bag of 50 Kg while owing less than 5 acres of Tea or Rubber lands were provide year at concessionary rate at Rs 1200 per 50 Kg bag.

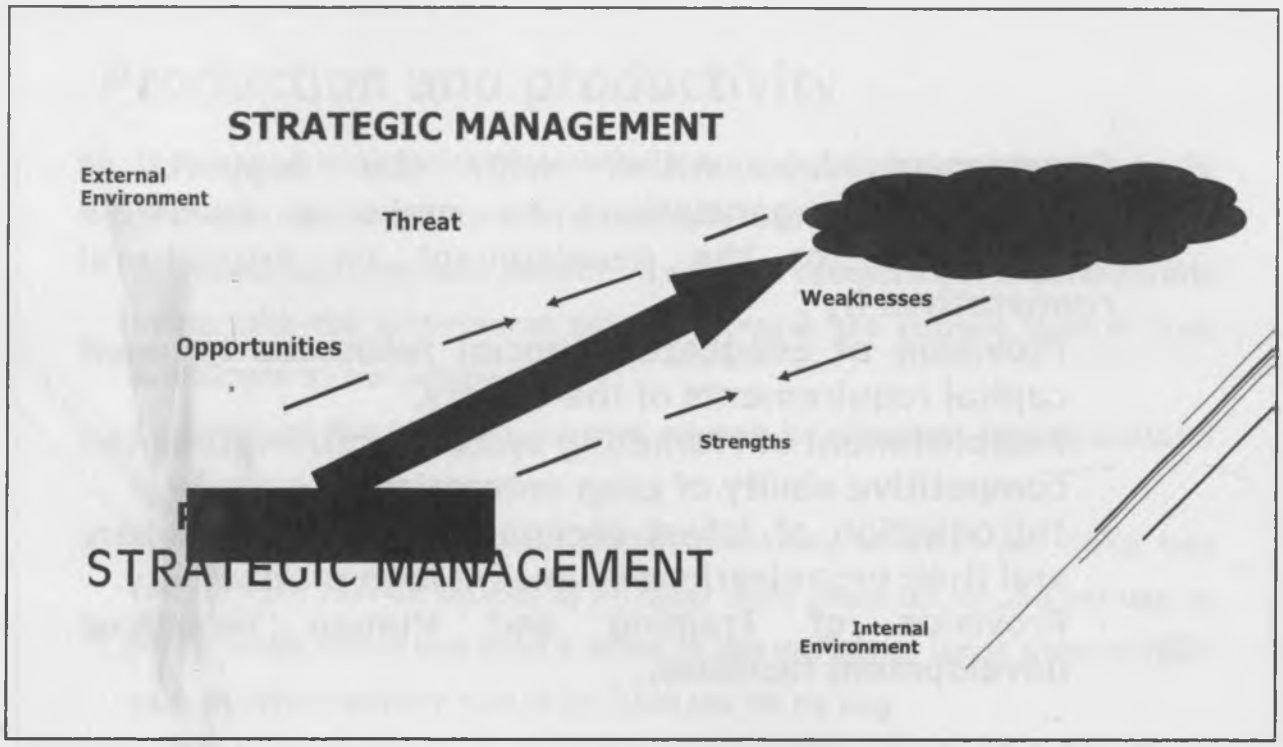
Production and productivity . . .

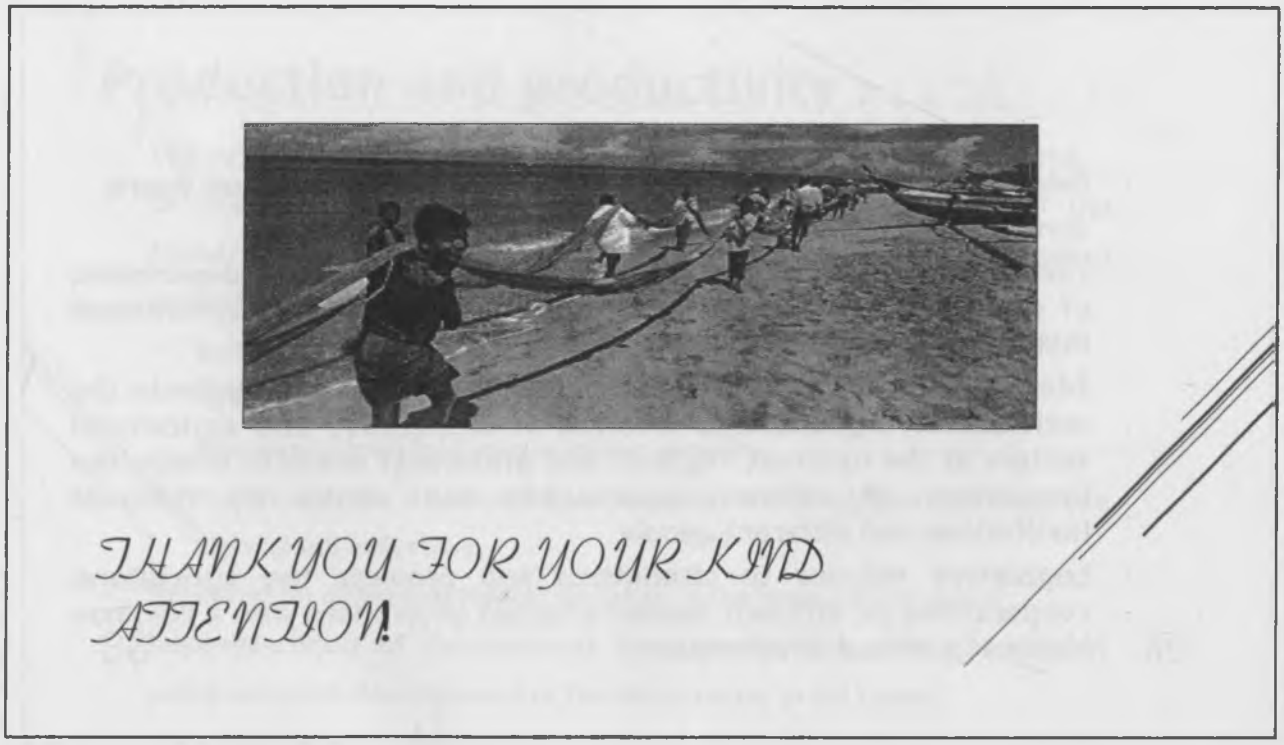
- The value of this incentive package amounted to Rs. 26 billion in 2008.
- In line with the national agricultural policy launched in 2007 the Ministry of Agriculture develop must and Agrarian services has taken several measures in 2008 to,
  - Increase agricultural productivity,
  - Assure sustainable agricultural development,
  - Ensure national food and nutrition security,
  - Popularize the improved technologies for agriculture and improve agro based industries.
- Introduction of several Hybrid varieties in the horticulture sector.
- Implementation of development programs in line with government policy on quick development of the dairy sector in Sri Lanka.

- Government intervention with the support of international organizations to make a favorable environment for the development on Agricultural cooperatives by ;
  - Provision of adequate financial resources to meet capital requirements of the society.
  - Establishment of Marketing system to strengthen the competitive ability of coop enterprises.
  - Introduction of latest technologies to the farmers and their organizations to ensure high productivity.
  - Provision of Training and Human resources development facilities.

Suggestion and Recommendations ...

- Establishment of an cooperative Enterprenihal Development Board.
- Strengthening the national level unions.
- Identifications of the most suitable ministry to attach the department of coop development and other government and semi-Government institutions related the subject of cooperation.
- Identification of an appropriate policy framework to coordinate the activities of organizations involved in cooperative and agricultural sectors at the national, regional and grassroots levels to ensure the integration of different approaches and efforts by different institutions and different people
- Legislative reforms to strengthen and promote the agricultural cooperatives as, efficient market oriented enterprises with a common vision of national development.


STRATEGIC MANAGEMENT
External Environment
Threat
Weaknesses
Opportunities
Strengths
[redacted]
STRATEGIC MANAGEMENT
Internal Environment


THANK YOU FOR YOUR KIND ATTENTION!

MONGOLIA

- Territory 1.56 million square kilometers
- Take 19th place in terms of land
- Population – 3 million
- Ranks at 138th in terms of population
- Agriculture and mining are main sectors
- Capital city: Ulaanbaatar
- Official language: Mongolian
- Religion: Buddhists, Muslims and other

View

MONGOLIAN AGRICULTURE

One of the main sectors of Mongolian economy is agriculture and its situation in 2011:

- 22 percent of GDP
- 40 percent of total labor force
- 30 percent of households

LIVESTOCK=ANIMAL HUSBANDRY



- Total pasture is 147.1 million hectares
- Number of livestock - 45 million (sheep, horse, goat, cattle and camel)
- 15.9 per cent of GDP
- 80.2 percent of total agricultural products
- 12.5 percent of export products

Livestock

Livestock (5 categories of animals: sheep, goats, cattle/cows, horses and camels) primarily predominate in the agriculture of Mongolia. +pigs, chickens, donkeys, mules and reindeers…

Livestock

=> prominent in mutton and beef production

Dairy products

fleece or wool, raw/undressed hides,

Horses for riding, show, and racing.

Mainly used for farm work or for riding (transportation)

Livestock

Mongolian animal husbandry difference:
5 categories of animals
Nomadic dependent on nature/climate
small-scale farming (not intensive)
Organic or eco (pure natural)

Agricultural co-ops

Agricultural/Herding cooperatives (*negdel*) were first formed in the 1930s, but the main campaign by the government to organize the livestock herders into large cooperatives took place in the years 1955–59, when most of the livestock belonged to the cooperatives. The cooperatives were disbanded during the democratic reforms, and private ownership of livestock was encouraged, although the pastures continued to belong to the state. The high market value of cashmere boosted the herding of goats, which became the most numerous of the five animals. Consequently, there was a considerable growth in the total size of the herds. The Tsaatan keep small herds of reindeer in the northern part of the country.

Only roughly 1 percent of Mongolia's land area is used to grow crops. Production is concentrated in the wetter northern parts of the country, particularly in the broad lower valleys of the Orkhon and Selenge rivers. Because of the long cold winters, only a single annual crop is possible. About three-fourths of the cropland is sown with grains—primarily spring wheat but with some barley and oats—and the rest with potatoes, fodder crops, and such vegetables as cabbage and carrots.

- Mongolia possesses large deposits of coal and fluorite (fluorspar) and of copper, gold, silver, and other metallic ores. The chief mineral produced is coal. Tavantolgoi mining field in the southern Gobi have been exporting their coal to China.

- Fluorite, gold, and copper and molybdenum ores are exported. Iron, zinc, and tin deposits are also worked. The large Erdenet copper-and-molybdenum mining enterprise began operation in the late 1970s as a joint venture between Mongolia and Russia. The output from this industry has provided a major component of Mongolia's export revenues.
- Of growing interest has been the giant Oyu-Tolgoi gold and copper deposits in the southern Gobi, and the government has entered into operating agreements with foreign mining companies to exploit the reserves there.

Manufacturing

Much of Mongolia's manufacturing still centres around processing domestic raw materials. Products include foods (meat, beverages, dairy products, and flour); clothing made from cashmere, wool, hides, skins, and furs; and wood products such as *ger* frames and furniture. Brewing, distilling, and bottling of soft drinks have grown, as has the manufacture of construction materials (including cement). Early in the post-1990 conversion to a market economy, several of the clothing manufacturers were converted to making textiles and garments from imported materials for re-export. Among the manufactured products that have started to be produced since 2000 are rolled copper sheeting, copper wire, and zinc concentrates.

- Ulaanbaatar is the center of Mongolia's manufacturing, especially of the lighter industries. The country's main heavy industrial enterprises include those at Erdenet that concentrate copper and molybdenum ores for shipment, iron works at Darkhan, and a growing complex producing coke and chemicals in the south Gobi.

Finance

- After 1990 there was a fundamental renewal of the financial sector, which under the socialist system had been based on the monopoly of the State Bank of the Mongolia- Mongolbank (the Bank of Mongolia)- its international branch, the Trade and Development Bank. The Bank of Mongolia remains the country's central bank and is responsible for regulating the national currency, the tugrik (*MNT*). The establishment of several private-venture and international banks in Ulaanbaatar was followed by periods of consolidation and relative stability, which opened up opportunities to set up services for

commercial and private loans and personal banking and to introduce electronic banking, credit cards, and automatic teller machines. Companies were formed to handle insurance and mortgages. A stock exchange was established in Ulaanbaatar in 1991; though attracting little foreign interest, it has done business in shares of major domestic companies operating utilities or manufacturing cashmere goods, wool carpets, and beverages.

Trade

- Since the 1980s minerals and ore concentrates have been Mongolia's principal export, with copper concentrates and gold accounting for the largest share of export value. The traditional exports of livestock and their by-products have come to account for only a small proportion of the overall value. The main imports are fuels, machinery, food and agricultural products, and motor vehicles.

- China and Russia are Mongolia's largest trading partners, together accounting for some two-thirds of the value of imports and exports. Mongolia has sought to increase trade with other countries, but this has been hampered by a lack of direct access to the sea, the need to use Russian and Chinese transport systems and ports, long distances and high transport costs, and the difficulties of competing in international markets. Mongolia has run a relatively modest trade deficit in most years, though the value of exports occasionally has exceeded that of imports.

Services, labor, and taxation

Services have expanded dramatically since 1990, and the service sector has come to account for the major share of employment in Mongolia. Employment in agriculture, which once dominated, has remained significant, but its proportion of the workforce has declined steadily. Unemployment among registered workers has been low, but the proportion of those who are unregistered and unemployed is believed to be high.

Tourism constitutes a small but growing segment of the national economy and provides employment opportunities in the hospitality and transportation sectors. Visitors are attracted by Mongolia's variegated grassland and desert landscapes, its unique flora and fauna, and its unusual historical and religious monuments. Also popular are visits to country folk in their *ger*s and, for wealthy foreigners who can afford the high-priced licenses, game hunting. Most visitors come from China and Russia, with smaller numbers from South Korea, Japan, and the United States.

- Membership in labour unions, mandatory in the socialist period, became voluntary with the reforms after 1990, and the proportion of unionized workers has declined. Unions in various employment sectors are under the umbrella organization Confederation of Mongolian Trade Unions. Men and women are employed in roughly equal proportions, but women are more numerous in the education and health care fields In public administration, there are somewhat more women than men in lower-ranking managerial positions, but men are much more numerous than women at senior executive levels, and they overwhelmingly predominate in the top rank of officers.

Taxes are by far the major source of government revenue. Income taxes constitute the largest proportion, followed by taxes on goods and services and social insurance taxes. Nontax revenues, notably mining royalties, make up virtually all the rest of the government income collected.

Cultural life

Contemporary cultural life in Mongolia is a unique amalgam of traditional nomadic, shamanic, and Buddhist beliefs—now free from the Marxist doctrine overlaid during the socialist period but vulnerable to powerful new foreign influences. Once-despised commercialism has come to drive national prosperity at the risk of harming the national heritage and environment. Images of Genghis Khan, the revered symbol of Mongol nationhood, now are used to advertise vodka and beer. Cultural affairs fall within the purview of the directorate in charge of culture and art within the Ministry of Education, Culture, and Science. The government pursues cultural policies, funding the arts in the name of the national interest. However, the life support provided during the socialist period by the ruling party for compliant writers, artists, and musicians no longer exists, and those groups have formed associations—such as the Arts Council and the Union of Art Workers—to represent their interests.

Daily life and social customs

Urbanization and modernization inevitably have had a heavy impact on nomadic traditions in Mongolia, but some distinctive old conventions have continued. The *ger* (nomadic shelter) is always pitched with its door to the south. Inside, the north is the place of honour, where images of the Buddha and family photographs are kept. The west side of the *ger* is considered the man's domain, where his saddle.The east side is the woman's, where food is prepared and utensils stored.

CROP PRODUCTION



- **19.5 % of total territory can be used for the purpose of crop production**
- **618.5 thousand hectares are under use**
- **"Third National Crop Rehabilitation Drive" program enhanced the crop and vegetable production**
- **448.1 thousand tons grain in which 437.9 thousand tons wheat, 199.2 thousand tons potato, 105.2 thousand tons of vegetables**

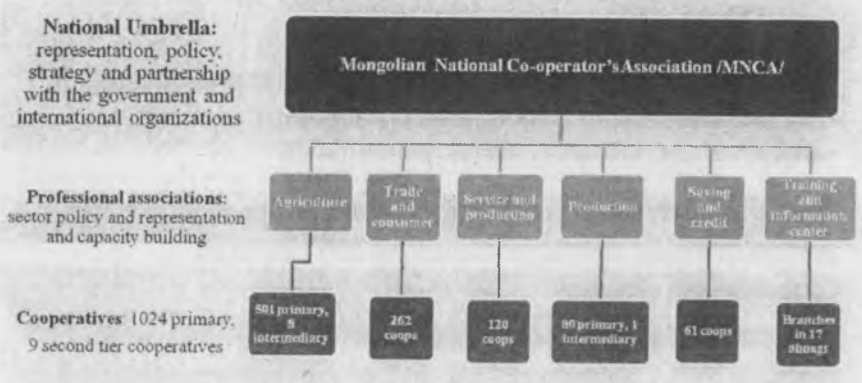
COOPERATIVE DEVELOPMENT

- 1918 – First cooperative was established
- 1921 – Revolution
- 1921 – Mutual help cooperative of people – among members are the King and the Queen (start of consumer cooperatives)
- 1930s – Agricultural cooperative movement
- 1990 – Transmission from centrally planned economy to the market oriented, democratic changes and new start of cooperative movement
- 1995 when the Law on Economic Entities from 1991 was replaced by a Cooperative Law and a Law on Partnership and Company.

GOVERNMENT POLICY ON COOPERATIVES

- National Program on Cooperative Development (until 2017)
- Fund for promotion of SMEs
- Agricultural commodity exchange project (from 2011)
- Program to enhance rural cooperative movement (2012-2015)

COOPERATIVE SYSTEM STRUCTURE



NATIONAL ASSOCIATION OF MONGOLIAN AGRICULTURAL COOPERATIVES

- The National Association of Mongolian Agricultural Cooperatives /NAMAC/ is a non-governmental organization which was re-organized by its First General Assembly in January 1992. The Supreme Council of Agricultural Cooperatives the precursor of NAMAC was founded in 1967.

- 22 branch associations in 21 provinces and in UB.
- 8 secondary cooperatives
- 501 primary cooperatives with over 100 thousands individual members.

MISSION

The mission of an agricultural cooperative organization is to support the cooperation and mutual trust among the rural producers and to promote favorable environment for cooperative development.

STRATEGIC GOALS

1. To upgrade management of cooperative organizations;
2. To develop human resources of cooperative organizations;
3. To expand cooperative movement and strengthen economic viability of cooperatives;
4. To expand external relationships and cooperation of cooperative organizations.

FOREIGN COOPERATION

1997 - EAST ASIAN AGRICULTURAL ORGANIZATION COUNCIL MEMBER

2009 – INTERNATIONAL CO-OPERATIVE ALLIANCE MEMBER

East Asian Agricultural Organization Council Top Level Meeting in Ulaanbaatar 2012

NAMAC-Gwangjin Giob/Korea/ MOU

ILO-ICA-ACFSMC Training 2012

AGRICULTURAL COOPERATIVES

- Provide high quality agricultural products
- Total sale - 15 billion MNT
- Total dividend – 500 million MNT
- Above 300 thousand people benefit directly and indirectly from agricultural cooperative
- Our cooperatives make contribution in development of 310 villages
- Total taxpaying – 3.0 billion MNT

MONGOLIAN COOPERATIVE TRAINING AND INFORMATION CENTER /MCTIC

The MCTIC was established in December 1998.

Establishers:

The Central Union of Mongolian Consumers Cooperatives,

The Central Union of Industrial Cooperatives,

The National Association of Mongolian Agricultural Cooperators,

The Union of Production and Service Cooperatives and

The Association of Private Herders Cooperatives

OUR GOAL

The Mongolian Cooperative Training and Information Center is an NGO with the aim to support the economic development of the country promoting and strengthening all types of co-operative values and principles.

PERSONNEL AND FACILITIES

The MCTIC has 35 trainers and 13 advisers in Ulaanbaatar, 489 trainers and 64 advisers throughout the country. MCTIC has branches in 18 provinces.

OUR SERVICES

- Training on Self-help group development, business plan development for self help groups.
- Training courses for leaders, managers and members of cooperatives on all issues of cooperative management.
- Training courses for trainers, consultants, bookkeepers and auditors of cooperatives.
- Consultations on new technologies and know how
- A research and studies on different fields.

TRAINING OF COOPERATIVE

Pluses of Agribusiness Mongolia

+ Russia wants to buy more meat can stimulate meat sector
+ Further processing and quality improvements still require investment and expertise
+ Import substitution with local production and processing continues to offer opportunities for co-ops
+ Growing awareness of Mongolia's organic food potential

THANK YOU FOR YOUR ATTENTION!

Mongolia - Country Report 2015

"Nooson Zangilaa" Secondary Co-operative &
"Tsagaan Alt" Co-operative shop

"Nooson Zangilaa" Secondary Co-op

12 primary co-ops
1 NGO
200 individual members
from Darkhan and Ulaanbaatar
established in 2006

Our Identity:

100% hand-made and eco products made of natural wool threads

General objective:

to create job places
and to develop traditional handicrafts

Responsibility:

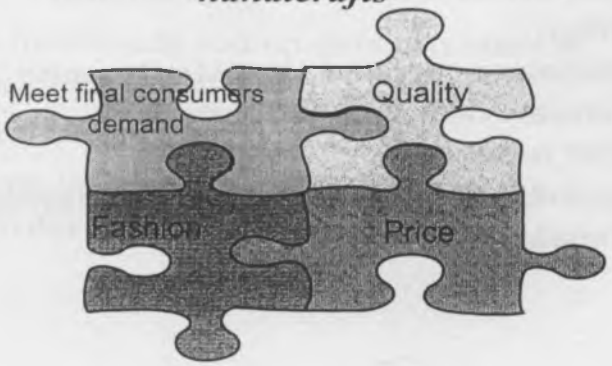
- ***Selling and marketing products of member co-ops and organize their businesses***
- ***Logistics and distribution***

Advantages of cooperation among co-ops:

+ Production inputs are prepared and processed in same standard
+ Stronger financial capacity to expand business
+ Tax deduction (corporate income tax)

+ Easier access to home and international market
+ Common co-operative store / trade center
+ Overcome challenges and obstacles
+ Better technology
+ Improvement in human resource management (Training and workshops)

International market requirements for handicrafts



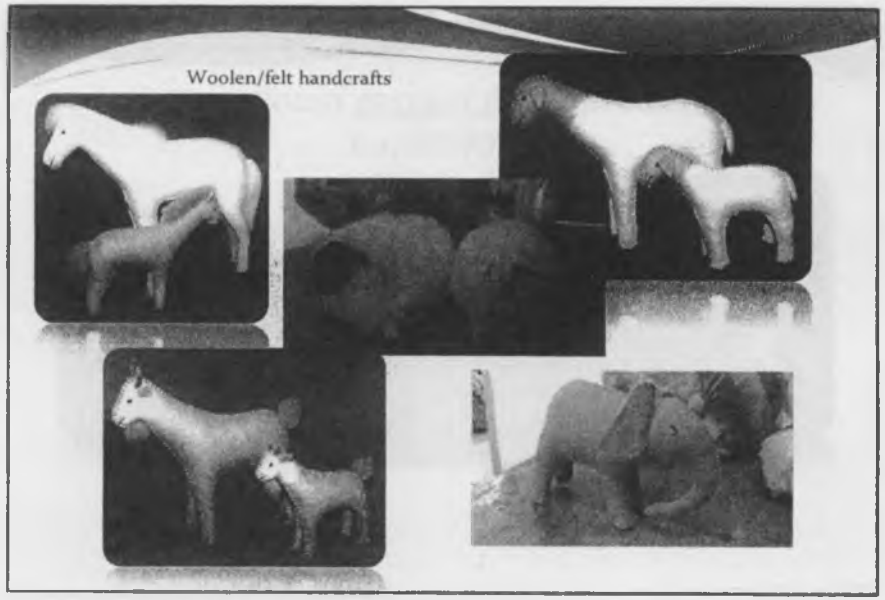
What we need?

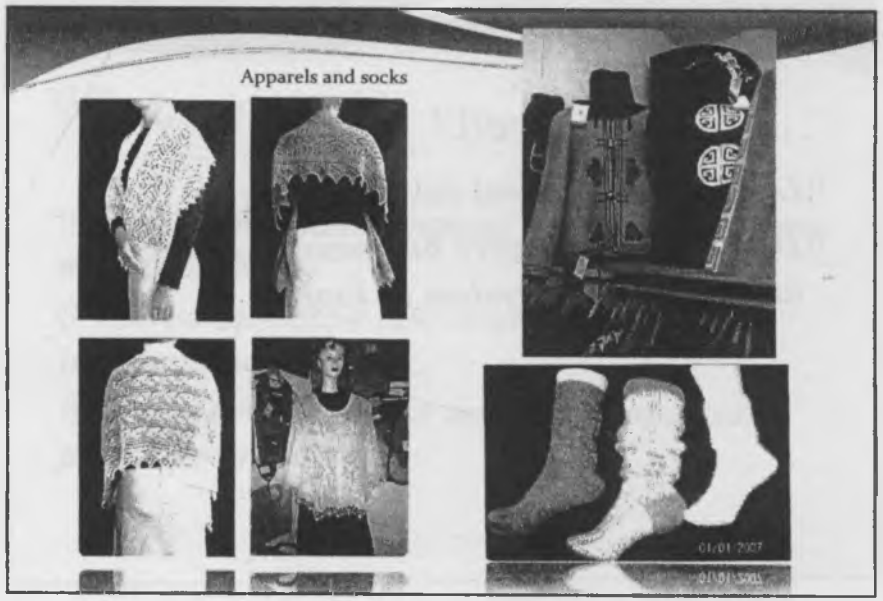
- !!***Co-operative management recommendations and handbooks***
- !!***New co-operative law consistent with international practice***
- !!***Promote co-operative movement and raise public awareness***

…What we need?

- ***Learn international best practices***
- ***Develop co-operative business assessment and monitoring system or tool***

What Nooson Zangilaa offer?
Woolcrafts


Woolen/felt handcrafts


Apparels and socks


Woolen/felt slippers

handbags

World Cultural Heritage – 2008

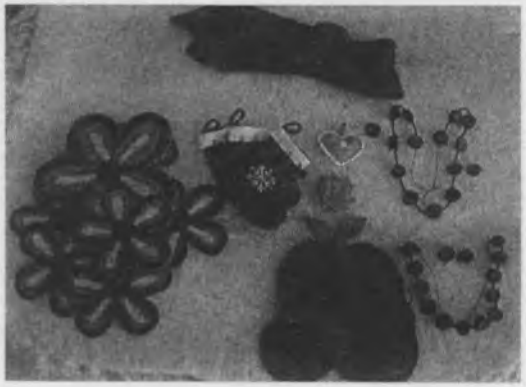
Award of Excellence
for Handicrafts
2008 East Asia Programme

"Maayaa" Angor Scarf
Mongolia
Submitted by Tsend-Ayush Tuferoom Ulaanbaatar

Woolen shoes and slippers

Woolen/felt seat cushions for home/office/car...

Decorations



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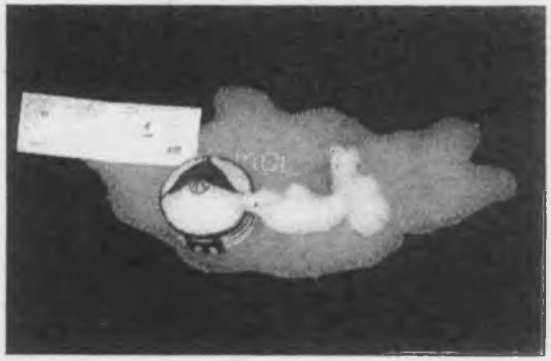
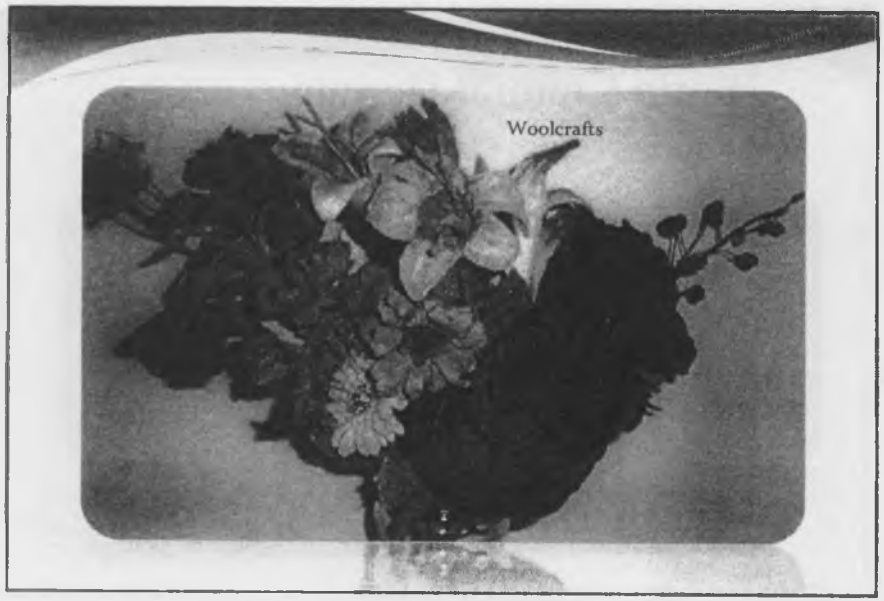
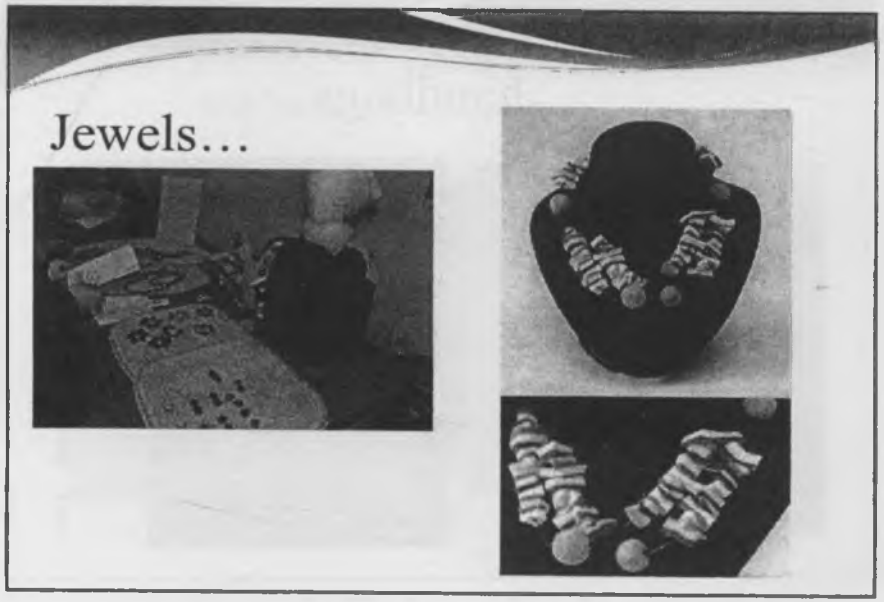



Woolcrafts


Jewels…

Country Report

Cooperative in Vietnam

Training Course (Fiscal Year)

ICA-ACFSMC Small Cooperative Finance and Risk Management Training Course

Duration (day/Month/Year~ day/Month/Year)

The Training Course will commence on June 8, 2015 and conclude on June 13, 2015

Country	VIETNAM
Name of the Participant 1	NGUYEN THI LAN ANH
Post and the Name of the Organization	Deputy Finance and accounting of Vietnam Cooperative Alliance (VCA)
Name of the Participant 2	DAO THI HUYEN TRANG
Post and the Name of the Organization	Head of banking and finance department of National economic and technical college, Vietnam Cooperative Alliance (VCA)
Years of Service in the Organization	5 Years

CONTENTS

1. Basic Information of the Country

			(Unit)
Land	(1) Total Land Area	330.967	Km^2
	(2) Cultivated Area	54.6	Ha
	(3) Ave. farm management		Ha
Population	(1) Total Population	90,73 mil	person
	(2) Farming Population	63 mil	person
	(3) No. of Farm	24 mil	Household
GDP 2014	(1) Total	184 bill	US$
	(GDP per capita)	(2.028)	(US$)
*Gross Domestic Products	(2) GDP in Agricultural		US$
	(Contribution of Agricultural Sector in GDP)	18,12	%

2. Brief introduction of Vietnam Cooperative Alliance

Vietnam Cooperative Alliance (VCA) is the national apex organization representing and associating all cooperatives in Vietnam. It renders professional support services to the cooperatives as well as implementing viable and effective economic activities to steer and uplift the movement. By doing so, it hopes to develop strongly and sustainably for the nation a strong socio-economic structure of cooperation, solidarity and community development without poverty.

The main objective of cooperative development is to develop the economy, the society and the culture of community-at-large. In the process, the development bring about the community's social progress and equality amongst the people. As the apex organization vested with the responsibilities of representing and supporting the nation's cooperative development, the mission of VCA is reiterated as follows:

- Representing and protecting the legal rights of its members.

- Disseminating information and propagandizing to develop cooperatives.
- Providing consulting and support services which are necessary to the development of cooperatives and cooperative members.
- Implementing development programs for cooperatives assigned by the Government.
- Organizing training activities for cooperative's managers and staffs.
- Participating in formulating policy and legal frameworks related to the cooperative sector.
- Representing its members legally in internal and external relations.

3. Cooperative movement in Vietnam

In the way of economic development – society through the ages, cooperatives play a very important role, contributing greatly to the achievements the country's economic renewal, economic development groups, core built cooperative is a consistent policy, through the Party and State of Vietnam. Collective economy with many diverse forms of cooperation, but the core is a cooperative, works on the principle of voluntariness, autonomy, self-responsibility and mutual benefit; based on the spirit of cooperation, sharing, benefits for members an society; not only contribute to economic growth, but also made important contributions in the development of cultural, social and political security, social order and safety.

Cooperatives are playing a substantial role in supporting poor and disadvantage people, groups to improve their social and economic status, especially in the rural areas.

During operation, many cooperatives have boldly mobilize investment capital to expand production, the application of scientific advances and new technologies in production and cooperatives formed large scale, with high growth rates. In which represents 100 cooperatives, members receive the Gold Cup in 2012 and 150 delegates managers typically cooperatives were honored. Operation of cooperatives has truly separated to promote development of

household economy, create linkages an cooperation between the member household and between member with production facilities, small and medium business other: Effective mobilization of social resources to expand production and business, career development, restructuring the economy towards industrialization and modernization, especially in agriculture and rural areas. In social terms, the nature of the economic organization – social, cooperatives have participated actively in the resolution of social problem such as creating jobs and income for workers in particular social subjects have difficulties, helping many families out of poverty, stable life. The cooperative also where propaganda, a sense of community education, promote cultural values, ethics, promote the spirit of mutual charity solidarity, support and help each other get rich.

By the end of 2014, Viet Nam has had 19.800 cooperatives, 54 cooperative unions with over 13.5 million members and laborers. These units spread in almost business and production fields of the national economy such as agriculture, industry and handicraft, Service... in which there are 10.406 agricultural cooperatives (52%); 4.820 industry and handicraft cooperatives (24,1%); 4.780 trade and service cooperatives (23.9%). The cooperative sector alone accounted for 5.32% of GDP of Vietnam;

4. Any Issues and Challenges your organization has now faced

- A lot of cooperatives were not organized and activities like rules in the cooperative law, especially transferring ACs; lack financial; unclear about ownership asset's cooperative. The weak management of financial accounting in cooperative is not like rules.

- The growth of the cooperative sector is still low. Economic efficiency of cooperatives is not high, the number of profitable cooperatives has increased but the profit still low. Number of Poor Cooperative decreased slowly, benefit brings to cooperative member not much, input and output - services for the household members is limited.

- The cooperative managements has a limited thinking of the market

economy, limited knowledge of law, works primarily by experience, most have educational qualifications and low skills, 32.9% chairman cultural cooperatives qualified level II or less.

- The growth of the cooperative sector is not stable, low. Economic efficiency of cooperative activities is not high, the number of cooperatives increase but the profit margin is small. The number of weak cooperatives decrease slowly, benefit brings to cooperative members not much. In society image and reputation of cooperatives has not become high.

- Qualifications and competences of cooperative managers is weak. There are 32.9% cooperative leaders qualified level grade II or less; 23.3% cooperative leaders, 10.8% chief accountants and 31% chief controls are not trained professional skills. educational qualifications and low skills. Most core leaders cooperatives are trained only through training and short professional training.

- Cooperative activities lack of the bond together, not have systematic link of economic, society and organization. The joint venture activities, links between cooperatives have less. The survey results show that only 2.34% cooperative partner with scientific research and transferring technology agencies, about 7,7% cooperatives have strong links with the other cooperatives.

- Many cooperatives do not fully comply with the provisions of the Law on Cooperative; in the transfer agricultural cooperatives, the state does not contribute new capital, not clear as to ownership property of the cooperatives is quite common, especially assets attached to land.

NATCCO NETWORK

Nurturing Resiliency in Cooperative thru an Integrated Network

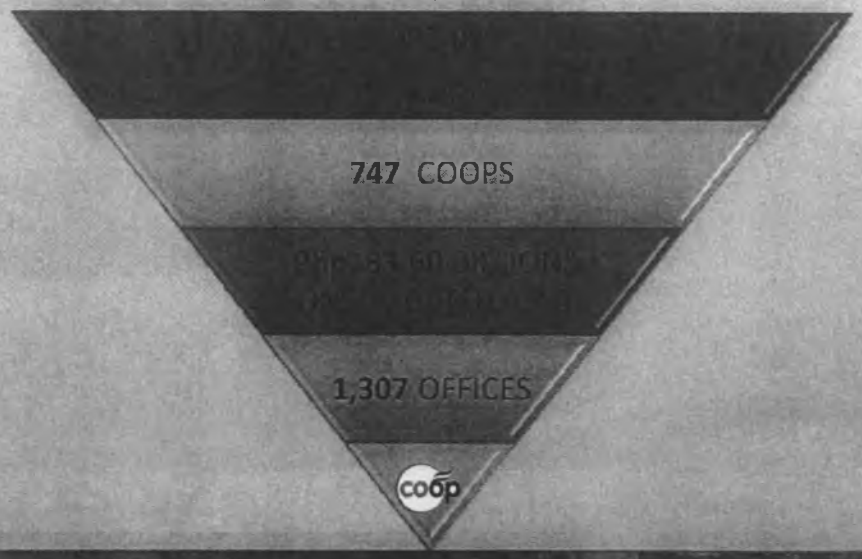
National Confederation of Cooperatives

NATCCO Network

Biggest and strongest federation of co-ops in the Philippines

- Geographical reach
- Membership (747 as of February 2015)
  - 3 Million individual members from 747 Coops
- Financial capacity
- Array of services

NATCCO Network Profile



Nurturing Resiliency in Cooperative thru an Integrated Network
NATCCO NETWORK

OUR VISION

THE MOST
TRUSTED INTEGRATED
FINANCIAL COOPERATIVE
NETWORK

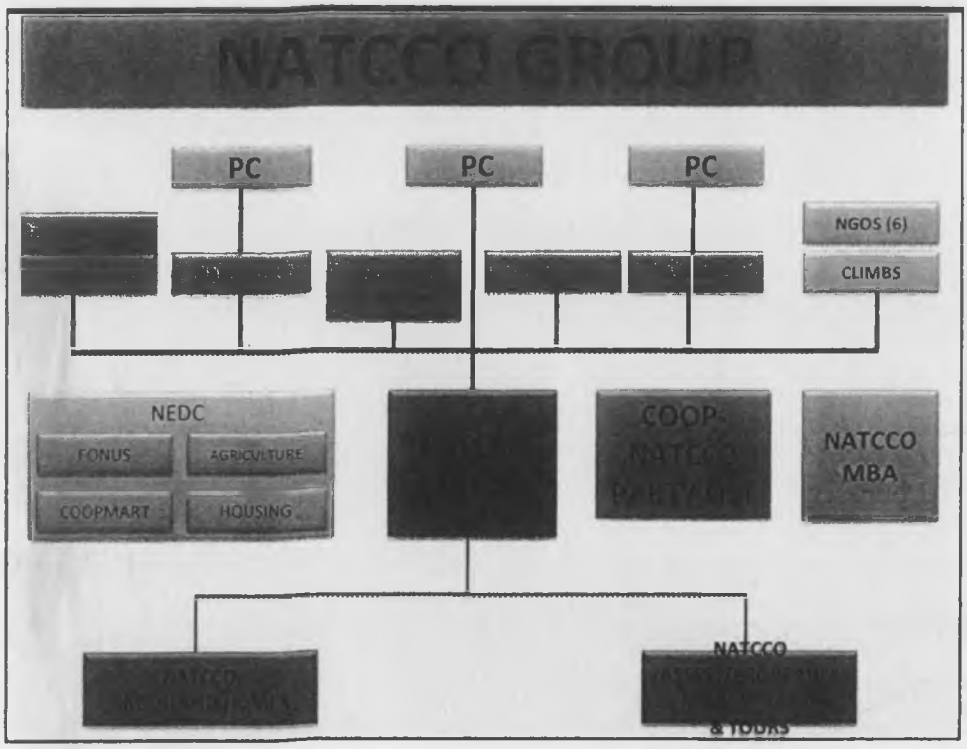
Nurturing Resiliency in Cooperative thru an Integrated Network
NATCCO NETWORK

MISSION

TO BUILD THE
SOCIO-ECONOMIC CAPABILITIES OF
COOPERATIVES THROUGH THE DELIVERY OF
SUPERIOR FINANCIAL PRODUCTS AND
ALLIED SERVICES

CORE VALUES

IN GOD WE SERVE OUR CLIENTS
IN SERVICES WE SEEK EXCELLENCE
IN STRENGTH WE PAY ATTENTION TO
SOCIO ECONOMIC DIVIDENDS
IN COMPETENCE, WE CARE FOR OUR PEOPLE



Building a safe & sound federation

The only Philippine co-op federation with 3 ISO certifications and maintained for 4 years:

- (ISO 9001:2008) Quality Management
- (ISO 14001:2004) Environment & Health Management
- (ISO 18001:2007) Occupational Health & Safety Management

Nurturing Resiliency in Cooperative thru an Integrated Network
NATCCO NETWORK

Building a safe & sound federation

Rating firm MicroFinanza Rating based in Milan,

Italy rated NATCCO's operations "B+",

translating it into having an outlook of "STABLE

Building a safe & sound federation

"Information Security Compliant" certified by ASSIST and TUV Rheinland Philippines

Building a safe & sound federation

Accredited Training Provider by the Cooperative Development Authority

Affiliations

- International Co-op Alliance, Board Member (2008- 2012)
- Association of Asian Confederation of Credit Unions, Board Member (ACCU, Bangkok)
- Asian Women in Cooperative Forum (AWCF), Board Member
- PROXFIN (DID-Canada), Management Committee Member
- Child Savings International, Netherlands (AFLATOUN)
- Philippine Co-op Center (PCC), Board - Chair
- CODE-NGO, Board Member
- National Anti-Poverty Commission
- Foundation for a Sustainable Society, Inc.
- Fund Managers Association of the Philippines
- Microfinance Council of the Philippines, Inc.

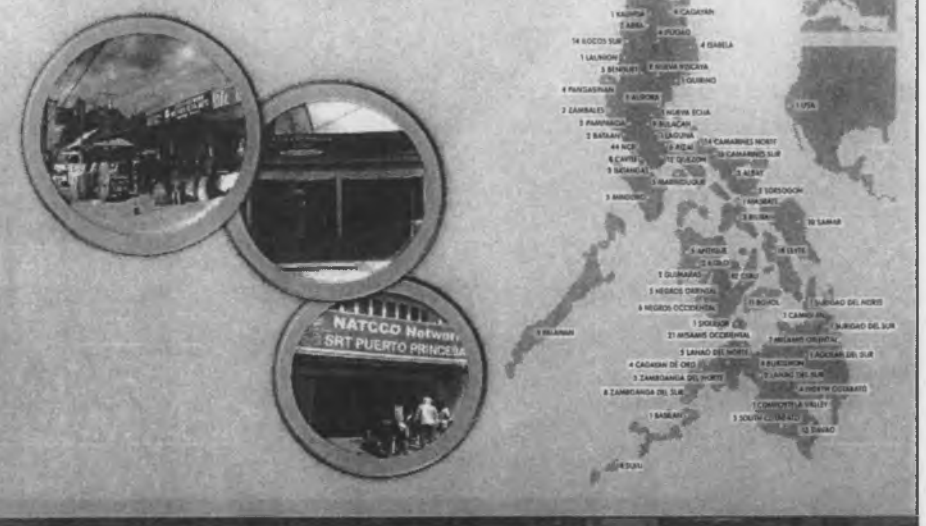
International Partners

- Rabobank Foundation
- Desjardins
- Cordaid
- ICCO
- Oikocredit
- Swedish Cooperative Center
- Bank IM Bistum Essen
- Canadian Cooperative Association
- DGRV

Business Partners

- Land Bank
- Philippine Postal Savings Bank
- Development Bank of the Philippines
- Bankard-RCBC
- Western Union
- Megalink, Inc.

Where we are present



Nurturing Resiliency in Cooperative thru an Integrated Network
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Member Coop Offices

Area	%	Head Offices	Branches	Total	%
Mindanao	18%	132	213	345	26%
Visayas	29%	201	156	357	28%
NCR	11%	80	68	148	11%
Luzon	42%	298	159	457	35%
Total	**100%**	**711**	**596**	**1,307**	**100%**

Active Coop – As of Feb 2015

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Where we are present

191 districts out of 225 districts	**85%**
77 provinces out of 80 provinces	96%
130 cities out of 138 cities (including highly urbanized, independent component and component cities)	94%
24 districts out of 30 districts of NCR	80%

(15th Philippine Congress) 2010-2013

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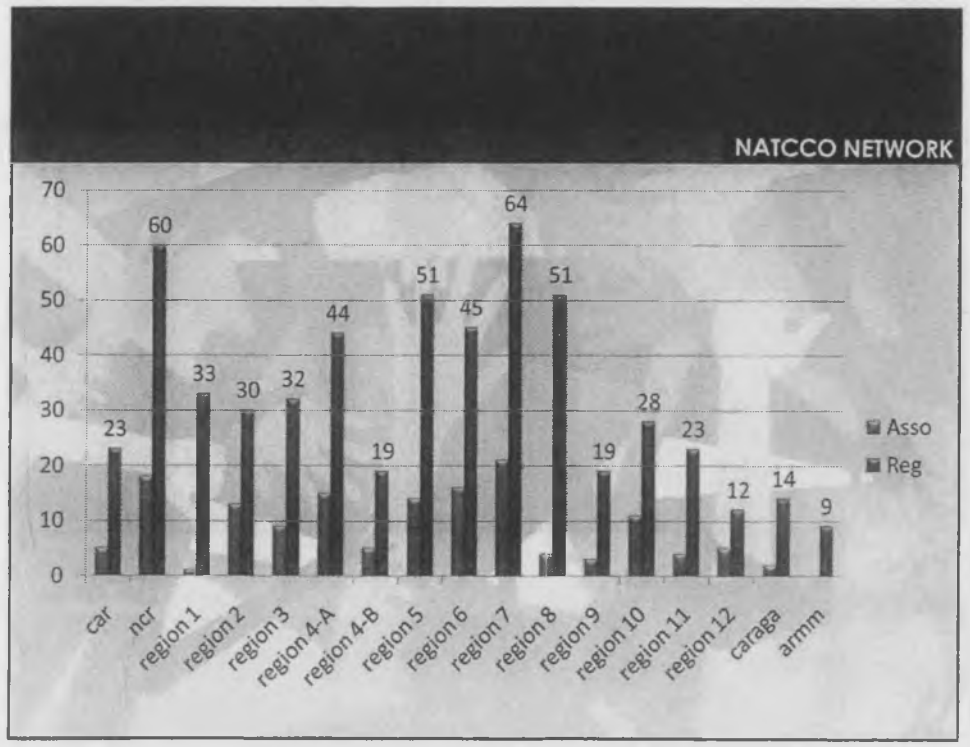
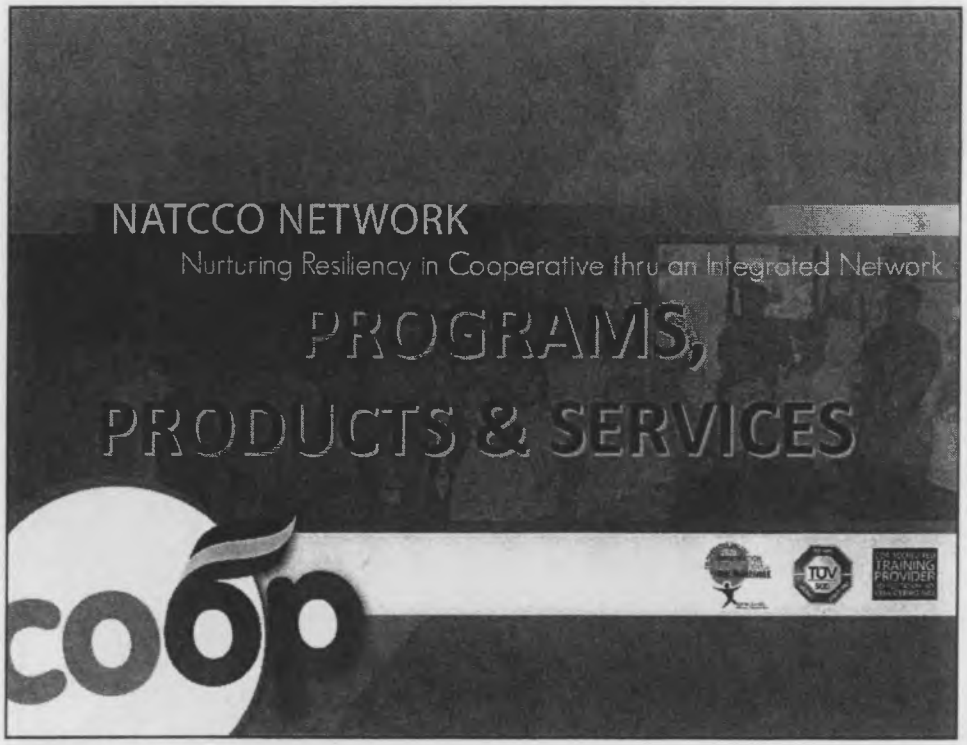



Membership Benefits
Products
Services
Profit sharing
Products & Services
Governance
Access and Linkages
Nurturing Resiliency in Cooperative thru an Integrated Network
NATCCO NETWORK


NATCCO NETWORK
Nurturing Resiliency in Cooperative thru an Integrated Network
PROGRAMS,
PRODUCTS & SERVICES

Treasury and Credit

- established on September 2002
- to provide deposit-taking
- place deposit in sound investments outlets like government securities, loans to cooperatives and business enterprises.
- credit-granting services to affiliates and members of the network

Product & Services

Deposit

- Liquidity fund (short term)
- Loan Fund (long term)

Loans

Loan Products

- Credit Line – renewable yearly
- Term Loan - short term (1 year)
  long term (3 years)
- Back to Back – against deposit

Nurturing Resiliency in Cooperative thru an Integrated Network
NATCCO NETWORK

Stabilization Fund System

"Working together to protect our cooperatives"

A Protection Scheme

Support mechanism that ensures the ability of its members to continue

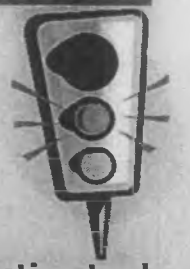
[redacted]

by

[redacted]

deposits are protected

RISK ASSESSMENT / RISK MANAGEMENT



1. Prevention
   - ✓Frameworks
2. Supervision
   - ✓Internal control system
   - ✓**Inspection (on-site) – risk based inspection tool**
   - ✓**Monitoring (off-site) – "Alerta Temprana" system**
   - ✓External audit
3. Protection
   - ✓**Stabilization Fund**

Stabilization Fund System

- "solidarity fund" - co-ops contributing to it help one another.
- Fund shall be the primary source of financing to cooperatives in financial distress.
- Invested in "risk free" T-Bills

"Working together to protect our cooperative"

Stabilization Fund System

Committee :

- CDA Chairperson
- Depart of Finance
- ACCU CEO
- NATCCO Chairperson
- NATCCO CEO

- 43 Member Coop

Training

- CUDCC/CUCCC
- Governance Framework
- KoopAralan
- Financial Literacy for Coop Members
- Professionalization of Credit Union (CU)
  - Module 1. Organizational & General Policies
  - Module 2. Credit Management
  - Module 3. Financial Management
  - Module 4. Human Resource & Intro to Marketing
  - Module 5. Strategic Planning

Training

- Credit Union Microfinance Innovations
- Trainers Training
- Collectors Training
- Accounting for Non-Accountants
- Audit Committee Training
- Election Committee Training
- Teller's Training

** Customized trainings to meet Coop needs and Requirements (In House and Public Conduct)*

Consultancy

ACCESS

A-one **C**ompetitive **C**hoice for **E**xcellence in **S**ervice and **S**oundness

- To succeed in today's increasingly competitive environment, credit unions need **superior brand intelligence.** ACCESS-A1 Competitive Choice for Excellence in Service and Soundness will arm you with the critical insight you need to build the optimal organization wide brand strategy. It will show you how returns from a well-managed brand can be greater than those of any other business activity.

"We Listen to Serve You Better"

Aflatoun Program

- NATCCO & primary co-ops tie up with the Department of Education (DepED)
- to educate children about social and financial topics thru learning methods integrated in the school curriculum
- Children experience child-friendly banking thru local coops

Child Social & Financial Education

Empowers kids to become responsible citizens and improve their quality of life

Western Union

- Number 1 money remittance company in the WORLD
- 379, 000+ Agent-Locations in over 200 countries and territories
- Anywhere! Anytime! 24/7
- The fastest way to SEND and RECEIVE money WORLDWIDE "Money in Minutes"
- Each transaction is protected and assured
- The right person gets the money
- 100% Customer Satisfaction

Information Technology (IT)

ekoopBanker plus

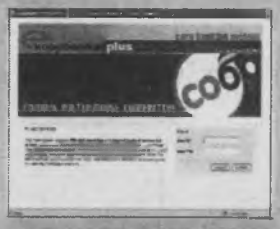
First IT system with **inter-branch and inter-coop facilities**

- ✓ Members can conveniently transact in any branch
- ✓ Real-time branch monitoring
- ✓ Improve business intelligence
- ✓ Inter-coop = Inter-bank transactions
- ✓ Potential for local remittance service

Making co-ops financial services available anytime, anywhere!

Ekoopbanker plus Advantage

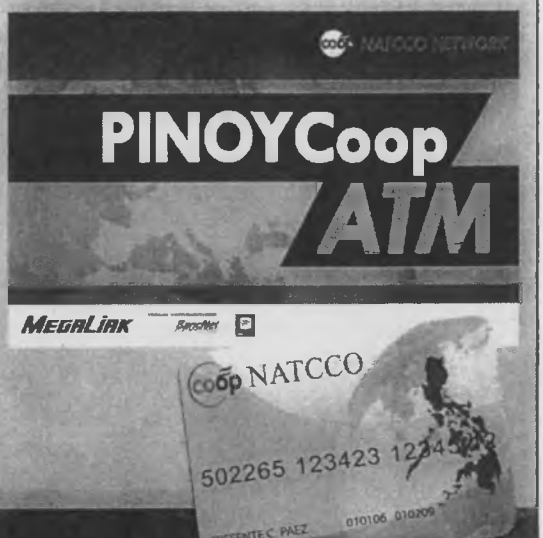
- ✓ Limited hardware (no server) investment
- ✓ Data security, maximum availability, etc.
- ✓ Better system security with delineated users
- ✓ Better operational internal controls, head office consolidations, etc.
- ✓ User-friendly interface
- ✓ Network service advantage for coop members
- ✓ More service options to coop members, e.g. ATMs, card-based services



PinoyCoop ATM Services

First national co-op federation affiliated with an ATM consortium

- Membership with Megalink
- Certified with Megalink, BancNet & ExpressNet



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EKoop VOTE

- We provide electronic tabulation of votes for election
- ✓ paperless
- ✓ point and click way of voting
- ✓ real-time tabulation and result
- ✓ accurate counting

Nurturing Resiliency in Cooperati
NATCCO NETWORK

MICOOP

Micro-Finance Innovations in Cooperative

NATCCO seeks to extend the reach of its co-op microfinance services to the enterprising poor who desire to engage in microenterprises but have no access to formal lending institutions and/or are dependent on informal lenders who charge usurious loan rates.

"MICOOP is not just about microfinance. It is about expansion and transformation"

Member Relations & Networking Group

- Publications
- NATCCO Website Updating
- Ownership Meeting
- Managers' Fora
- Data Banking
- Advocacy Work
  - Gender & Development Program
  - Social Performance Management
  - Climate Change Adoptation

Nurturing Resiliency in Cooperative thru an Integrated Network
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NATCCO Services

Financial

- Central Fund
  - Treasury
    - Liquidity Fund
    - Loan Fund
    - Regular Savings
  - Credit
    - Term Loan
    - Credit Line
- Stabilization Fund System
- Cash Management Services (WESU)

Non-Financial

- I.T. Solutions
  - Ekoop Banker
  - Ekoop Banker Plus
  - ATM
  - I.T. Trainings
  - Web Dev't
- MICOOP
- Education, Training and Consultancy
- Aflatoun Program

Subsidiary

Nurturing Resiliency in Cooperative thru an Integrated Network
NATCCO NETWORK

For more information

(02) 913-7011 loc 310

(02) 912-5410

Email add:

membership@natcco.coop / ceo@natcco.coop

or

visit our website

www.natcco.coop

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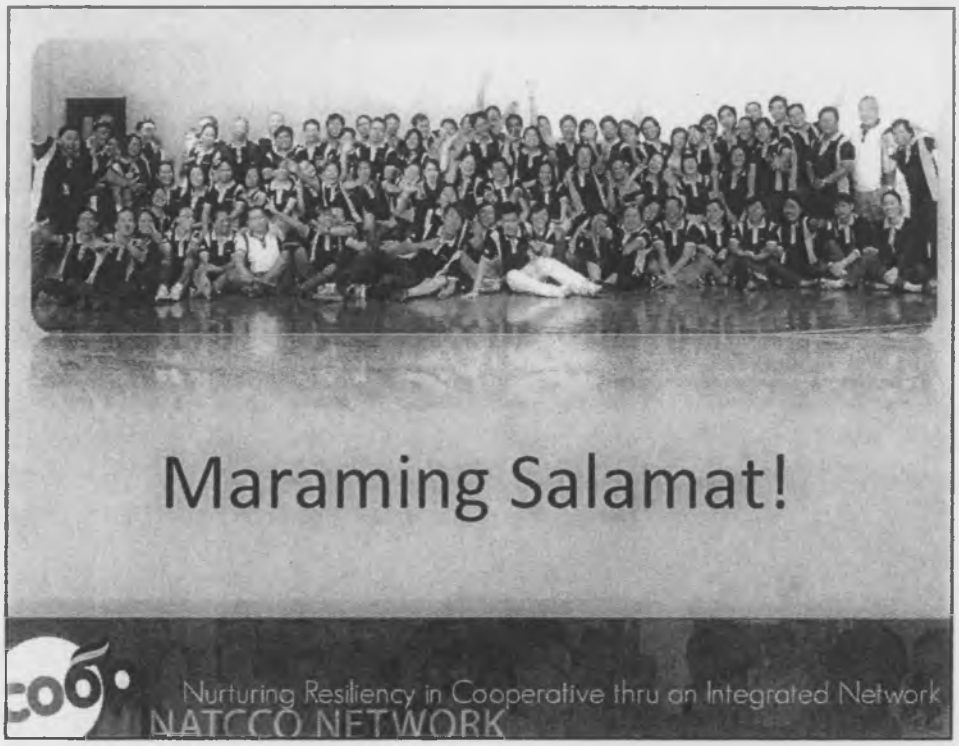

Maraming Salamat!
Nurturing Resiliency in Cooperative thru an Integrated Network
NATCCO NETWORK

Bangplee Agricultural Cooperative Ltd.

By

Mr. Mongkalat Pukanut

Background Information

There are totally 6 Amphur (Districts) and Bangplee is one of a district in Smutprakarn Province where being located around 30 kms. from Bangkok City. The main international Airport, Suvarnbhumi International Airport, also locates in this province. The total land areas is 1,004 sq.ksm.; one side is opened to the Gulf of Thailand, and other side is connected to Bangkok Capital City as well as industrial zones.

Bangplee Agricultural Cooperative Ltd. is an agricultural type in primary-district level, covered two districts, namely Bangplee and Bang Sao Thong Districts. It was established under Cooperative Act on 15 November 1971 and on 3 January 1978, the cooperative has amalgamated with Bang Chalong Rice Trading Cooperative Ltd.

Important Features of Bangplee Agricultural Cooperative Ltd.

Number of individual members	634
Group of member	23
- Male: 1 (Group Leader) - Female: 22 group – 64 Occupation Group	
Number of Board of Director: 9, Internal Auditor: 3	12
- Male: 7 - Female: 5	
Number of Staff (permanent staff	5
- Male: 3 - Female: 2	
Main business activities; Rice Trading and marketing of member product	
- Share Capital: 8,252,000 Baht	US$ 275,067
- Business turnover, as of 30 October 2014: 33,190,000 Baht	US$1,106,334
- Provided loan to member: 25,000,000 Baht	US$ 833,334

Bangplee Agricultural Cooperative Ltd.
87/1 Moo 8, Tambon Bangplee Yai, Amphur Bangplee
Samutprakarn Province 10500
Tel: +66-2-337 3487

Thailand Country Report

The Cooperative Movement in Thailand

General Background

Cooperatives in Thailand, like in all developing countries, have been initiated by the government since 1915 with the prime aim of using as a means to improve the livelihood of small farmers. This is due to the increasing indebtedness problem resulting from farmers who were suffering from the shifting of self-sufficient economy to trade economy. The natural disaster such as drought and flood even added further to create more chronic and severe indebtedness to the farmers. Consequently, they lost their farmland and becoming laborers and thus leaving their debts unpaid.

The first cooperative in Thailand named Wat Chan Cooperative Unlimited Liability was established by the government on February 26, 1916, in Phitsanulok, following the Raiffeisen credit cooperative type with a single purpose of providing farm credit and being organized as a small village credit cooperative to help the severely indebted farmers. The success of this cooperative type in preventing many farmers' land from being foreclosed by the moneylenders led to the increasing number of small village credit cooperatives all over the country. The small credit cooperatives had prevailed in the country until 1938 other cooperative types then established in responding to the people's needs.

In 1966, the government-cum-credit cooperative-owned Bank for Cooperatives was reorganized to the "Bank for Agriculture and Agricultural Cooperatives" a state enterprise, functioning as a financial center of agricultural cooperatives including lending directly to individual farmers.

In 1968 with the objective to strengthen the cooperative movement, the Government enacted the Cooperative Act, 1968, which allowed the establishment of the Cooperative League of Thailand, functioning as the apex organization of the cooperative movement. The said Cooperative Act also allowed for the amalgamation program which combined the neighboring small village credit cooperatives, paddy and marketing cooperatives, land improvement and land settlement cooperatives into a large scale cooperative at district level performing multipurpose functions and were officially categorized as agricultural cooperatives.

At present, the cooperatives in Thailand are officially categorized to seven (7) types, namely:

1. Agricultural Cooperative,
2. Land Settlement Cooperative,
3. Fisheries Cooperative,
4. Consumer Cooperative,
5. Saving and Credit Cooperative,
6. Service Cooperative, and
7. Credit Union Cooperatives

1. Agricultural Cooperatives

Agricultural cooperatives are established to enable farmer members to engaging in business together, thus helping one another in times of crisis as well as gaining for themselves a better livelihood and quality of life.

1.1) <u>Background</u>

A small credit cooperative named Wat Chan Agricultural Cooperative Unlimited Liability established at Muang district, Phitsanulok province on 26 February 1916 was the first agricultural cooperative in the country. From then on, the number of small credit cooperatives had steadily increased until the promulgation of the Cooperative Act, B.E. 2511. Several of

these small cooperatives then grouped together, forming agricultural cooperatives at the district level. Larger and stronger cooperatives are, then, expected to provide a wider scope of services to members.

1.2) Objective

Agricultural cooperatives are generally formed to meet the members' needs as follows:

1. To provide loans to members for productive and providential purposes at affordable interest rates;
2. To encourage members' thrift through savings and deposits;
3. To provide agricultural products and daily necessities for sale to members at reasonable prices;
4. To promote appropriate farm practices and disseminate technical know-how aimed to help members reduce production costs and obtain higher yields. With government assistance, members are introduced to proper cropping techniques as well as use of fertilizers and insecticides. Another service is in the form of farm equipment (e.g., tractors, water pumps, etc.) made available to members at reasonable charge; and
5. To enable members to market products together, thereby obtaining higher prices for their produce and maintaining fairness in terms of weights and measures.

1.3) Cooperative Business

At present, agricultural cooperatives engage in various types of business in responding to their members' needs. Generally, the five main areas are loans, savings and deposits, sale of consumer and farm supplies, goods, joint marketing, and agricultural extension and services.

1.4) Loans to Members

Through the assistance of Government, the Bank for Agriculture and Agricultural Cooperatives, various foundations, and other lending agencies, agricultural cooperative members are now in a better position in accessing loans at low interest rates with grace periods appropriate to their business. Thus loans are generally classified to three categories -- short-term, medium-term and long-term loans. With sufficient loans, members can gain the utmost benefit, enabling them to purchase seedlings, fertilizers, insecticides, farm machineries, by and/or improve land, etc.

1.5) Savings and Deposits

Agricultural cooperatives promote thrift because accumulation of savings can help in improving member living standard. Savings can also be used to carry out cooperative businesses that yield profit for both cooperatives and their members. Currently members can have savings and deposits at their cooperatives.

1.6) Sale of Consumer Goods and Farm Supplies

Along with credit business, agricultural cooperatives also procure quality products for sale to their members and the general people. The buyers are assured of fair prices and measure when they order together through the cooperatives in a large quantity.

1.7) Joint Marketing

Through joint sale of products, members can obtain not only good prices but also fairness in weights and measures. With government assistance some cooperatives have been developed market centers for members' product distribution not only locally but also abroad. A successful example is that of insecticide-free golden bananas now being exported to the Toto Consumer Cooperatives in Japan.

1.8) Agricultural Extension and Services

Cooperatives provide agricultural extension and services to members at reasonable fees. Examples are in the areas of plowing, land improvement, irrigation, demonstration farms, etc. Costs are made affordable using the expense-sharing principle.

1.9) **Types of Agricultural Cooperative**

Agricultural cooperatives are generally organized among the people engaging in agricultural earning with varying kinds and degrees of need, thus resulting with various agricultural cooperative types. Besides the general agricultural cooperatives, there are some special types of agricultural cooperative such as:

- ***Water Users Cooperatives***: Members of this cooperative type are farmers living in the same area along a canal or other water source, which they jointly use. Joint utilization and maintenance of this valuable resource is the main purpose of this cooperative type.
- ***Land Reform Cooperatives***: This cooperative type is established as part of the government's land reform program in land reform areas. The main purpose is to assist farmer members in agricultural production as well as to enable them gaining access to capital, agricultural necessities, marketing, saving facilitating and improving members' living conditions.
- ***Special Cooperatives***: This is formed among farmers who raise animals such as cattle, swine, etc. Joint marketing of these products enables members to obtain good prices and fairness in trading. Dairy cooperatives are among these. They either process milk for sale in the general market or sell raw milk to private firms producing dairy products.
- ***National Security Command*** *Cooperatives* This cooperative type has been initiated by the Supreme Command to help people in remote areas improving their living conditions through productive occupation promotion.
- ***Rubber Cooperatives***: Rubber Cooperatives are organized among rubber planters. Through their cooperatives, the members share various aspects of rubber production and marketing, including product development, processing and managing of the cooperative business.
- ***Cooperatives in the Border Patrol Police School***: This special cooperative type is under the auspices of Her Royal Highness Princess Maha Chakri Sirindhorn who believes in cooperative method of self - help and mutual help that would provide the youth with a meaningful ways of future living.

2. Land Settlement Cooperatives

The primary objective of Land Settlement Cooperatives is to allocate land to farmers who having either no land or small holding to make use for their living earning. Its operational scope is the same as that of agricultural cooperatives. However, land settlement cooperatives put more emphasis on land development including familiarizing members with appropriate farming techniques and modern irrigation methods.

Background

Allocation of land to farmers by cooperative method was first practiced in 1935 in Lumlookka district, Pathumthani province. Total farmland of 4,109 rai was purchased from the Ministry of Finance for allotment in the form of land hire-purchase cooperative. Later in 1938, by the government's issuance of the Royal Decree Determining the Forcible Area in Chiengmai province, the first Land Settlement Cooperative was established in Sansai district, Chiengmai province, covering the area of 8,913 rai, and was followed by the establishment of another Land Settlement Cooperative in the area of 54,798 rai in Muang district, Samutsakorn province. Another Land Settlement Cooperative type called Land-tenant Cooperative was established in 1975, in the deteriorated national forest reserve area in Bang-saparn district, Prachuab-Kirikhan province, covering the area of 46,974 rai with initial membership of 1,232 families.

Objectives

As mentioned earlier, land settlement cooperative is organized to solve the problem of landless farmers or farmers with insufficient land holdings. It's also aimed to improve tenancy and squatting condition in public land or forest reserve area by allocation of land from which they could earn their living through cooperative system. The major task of the government in developing Land Settlement Cooperatives is covered two main aspects: arrangement of land and establishment of cooperative.

Arrangement of Land

After receiving the land, the Cooperative Promotion Department will conduct the feasibility study to identify land size, soil series, rainfall intensity, and water resources. The information is used for both physical and land use planning. Supporting services such as irrigation facilities, road, school, health center, and market center will be then provided in the land settlement cooperatives.

In selection of members, a screening committee chaired by chief of the district office and appointed by the Minister of Agriculture and Cooperatives is responsible for selecting the qualified applicants. The necessary qualifications of the applicant are:

1. Thai nationality and sui juris;
2. Good behavior and willing to follow the regulations set by Cooperative Promotion Department;
3. Diligent, healthy and able to do farming;
4. Not insane; and
5. Landless or has insufficient land for earning living.

The Cooperative Promotion Department will provide the selected farmers with training on the cooperative principles and practices, and procedure for cooperative establishment including member rights and duties. After the farmers completed the said training program they will, then, allow to work on land assigned by the cooperative authority. In distributing land to farmers, the respective priorities are given to

1. Those who have occupied and utilized land in the project area, but without any legal document;
2. Those residing in the district or province where the project area is located; and
3. Other persons.

Establishment of Cooperative

After the members have been permitted to occupy and utilize the land, the Cooperative Promotion Department will help them set up a cooperative in accordance with the procedure set by the Department. Following the cooperative principles and practices, land settlement cooperatives run their business by the board of directors elected among members at the general assembly and the manager and staff of the cooperatives employed from qualified persons. The government assists the cooperatives with advice, guidance and financial support on business operation ranging from production, credit, marketing, land ownership, and public services to the cooperatives.

Types of Land Settlement Cooperative

The source of land received for allocation determines the type of land settlement cooperative to be set up.

1. ***Land Settlement Cooperatives***. When the National Land Allocation Executive Committee as agricultural land classified any public vacant land, the Cooperative Promotion Department will acquire the said land for allotment. Farmers who have fulfilled the cooperative conditions will later be given the right of land ownership.
2. ***Land Hire-purchase Cooperatives***. Land may be purchased form private land owners for allotment if it is considered justify with the volume of investment and overhead costs. When the farmers have paid all the installments and fulfilled all the requirements, they will be granted the right of land ownership.
3. ***Land Tenant Cooperatives***. Forest reserve area, which are extensively squatted by farmers and cannot be restored to their original condition may be acquired and rented out to farmers through land tenant cooperative method. Land ownership, in this regard, will not be transferred to farmers, but the right of land utilization can be inherited.

Granting Right of Ownership

Only members of Land Settlement Cooperatives or Land Hire-Purchase Cooperatives will be given the right of land ownership when they have fulfilled the conditions set by the cooperative as follows:

1. Be consecutive member not less than 5 years;
2. The members must be fully utilized the land for farming purposes;
3. All installments for land preparation have been fully paid;
4. All the debts with the cooperative have been full paid; and
5. Get approval from the cooperative and the Cooperative Promotion Department for the issuance of the land title or certificate of land utilization. The legal document issued for this purpose cannot be transferred to other persons for a period of five years, except by inheritance or transferring to the cooperative where they belong.

3. Fisheries Cooperatives

Fisheries cooperatives consist of members who are involved in fishing activities, both fresh and seawater. The main purpose is to deal with production and marketing problems through joint purchasing, access to loan funds, increased knowledge of the fishing industry, and promotion of natural resources conservation.

Background

The first fisheries cooperative named Pissanu Fishery Cooperative, Ltd. was established in 1949 at Krabangpongnok canal, Pompiram district, Phitsanuloke province with 54 fresh water fisher folk members. At that time, the cooperative activities were focused on land allocation, marketing, processing aquatic animals, and obtaining a concession. The cooperative also introduced new fishery techniques and promoted the preservation of aquatic animals. Until 1970, the government's policy was to designate all canals around the country as public canals so that people had freedom to fish in them. The objective in obtaining a concession, however, was not achieved so it decided to collaborate with the Prompiram Agricultural Cooperative, Ltd. Presently, there are ***three categories of fisheries*** cooperatives based on their members' occupation:-

1. ***Sea Fisheries Cooperatives*** have members involved in the following types of fishing:
   - Large fishermen who go fishing outside Thailand's territorial waters;
   - Middle fishermen who fish within Thailand's territorial waters; and
   - Small (traditional) fishermen who go fishing within 3,000 meters offshore.
2. ***Brackish Water Fisheries Cooperatives*** have members who are involved in shrimp and brackish water farming, including the cultivation of aquatic animals.
3. ***Freshwater Fisheries Cooperatives*** are those whose members are involved in the farming of freshwater fish and other aquatic animals (e.g. frogs).

Objectives

Fisheries cooperatives have generally the following objectives:-

1. To sell aquatic animals and/or processed products of its members;
2. To sell fishing equipment and other necessities to members;
3. To provide loans to members and accept member deposits;
4. To disseminate knowledge related fisheries, both technical and business; and
5. To provide welfare to members in times of crisis.

Business Activities

Activities of fisheries cooperatives include:

1. Sale of members' products. The cooperative collects aquatic products from members for sale in the market. This gives them good bargaining power in product pricing.
2. Purchase of goods. The cooperative obtains fishing equipment and other necessities for sale to members at reasonable prices.
3. Saving and loans.
   - Loan Fund. The cooperative obtains low-interest funds and loans them to members for fishery investment.

- Deposits. The cooperative provides two types of deposit accounts to members, savings and fixed deposits.

4. Fishery service. The cooperative also provides various services to members (e.g. setting up a fish market, digging and improving fish ponds and training in new fish farming techniques).

4. Consumer Cooperatives

Consumer Cooperatives are formed by consumers in obtaining various goods at reasonable prices and guarantee standard. It is a legal body, registered under the Cooperative Act, with its members as its shareholders. Members voluntarily co-invest in their cooperative stores to fulfill their purchasing needs in away that will sustain their economic well-being.

Background

The first cooperative store in Thailand was established in 1937 at a village in Sena district, Ayuthaya province. Later on, it was spread all over the country.

Objective

Consumer cooperatives generally operate according to objectives as follows:-

1. To obtain goods and services in order to serve members;
2. To collect members' produce and products for sale in the cooperative store;
3. To promote and disseminate cooperative education to members;
4. To promote the practice of savings, self help, and mutual help among members;
5. To cooperate and collaborate with other cooperative organizations within and outside the country;
6. To undertake any other businesses consistent with the above objectives.

Business Operations

Following the same concept as other cooperative types, the consumer cooperative is based on the democratic controlled by members. As it is impossible for all members to manage the cooperative store, representatives are elected as Steering Committee to look after the cooperative business. The number of Steering Committee members depends on the cooperative's by-laws and what is appropriate to the cooperative, which is normally ranging between 10 to 15 persons. The Steering Committee represents the members in all matters having to do with the shop, overseeing all activities according to cooperative laws and regulations, resolutions of the board of directors, and other appropriate ways to ensure good results for the cooperative store and its members.

To effectively manage the cooperative store, the board of directors could hire a skilled and honest manager to operate the cooperative. His/her mandate is to effectively serve members and customers. Depending on the workload and economic need, the manager may recruit staff with the agreement of the board of directors.

Consumer cooperatives strive to provide services for both members and non-members according to the principles of the Rochdale leaders as follows:

- Selling goods at market prices or slightly lower than market prices so as to avoid conflict with neighboring shops;
- Selling high-quality goods, not low-quality ones, as required by most of the members;
- Being accurate in weighing, scooping, and measuring goods;
- Buying a variety of daily necessities for sale to members; and
- Selling goods on cash basis to ensure a good cash flow for the shop, ability to make purchases at reasonable cost and prevent delinquency among members.

Working Capital

The consumer cooperative accumulates working capital form the following sources:

- Share capital from members;

- Member deposits;
- Reserve funds and other accumulated fund
- Loan funds; and
- Grants or donations of property.

The cooperative store should maintain adequate working capital for buying various goods and materials in response to members' needs. An ideal situation is where most of the cooperative's capital comes from the members themselves. However, at the initial stage, shares may be collected from members to cover necessary arrangements for setting up the cooperative, with a revolving fund left over for business operations. In later stages, member savings and deposits should be also increased to allow for cooperative expansion.

Benefits to Members

The following are among the benefits to consumer cooperative members:

- Members are assured of fair prices and good quality products.
- Annual profits are shared by members/shareholders in the form of dividends on shares and rebates of which its calculation is based on the amount of purchases made by the member over the year. This implies members can buy much cheaper products.
- By adopting cash purchasing, the cooperative store is assured of an adequate cash flow and the ability to purchase goods at low price. Members will also be induced to form an appropriate attitude towards money spending and saving.
- In view of the preceding benefits, consumer cooperative are considered the socio-economic organizations dedicated to improve member's quality of life.

5. Saving and Credit Cooperatives

Saving and Credit Cooperatives are those whose members are people having the same occupation or living in the same community. Its main purpose is to promote savings among members and provide loans for productive investment.

Background

The consistently increasing living cost has brought a big burden to the low-income people. Because they never seem to earn enough to cover their daily needs. They tend to deal with this problem through the moneylenders who charge them very high interest rates. By so doing their indebtedness is increased even more and the situation becomes more serious to them.

However, this money problem is lessening when they join together under the cooperative principles of self-help and mutual help. The first cooperative in this regard was formed among officials of the Cooperative Promotion Department and employees of the Bank for Agriculture and Agricultural Cooperatives (BAAC). It was registered on 28 September 1949 as the Cooperative Officials' Cooperative Limited, which is presently named the Cooperative of Cooperative Officials, Ltd. On the other hand, the Soon Klang Thewa Credit Union Cooperative was established as the first community savings cooperative in the slum area of Huay Kwang and Din Daeng districts, Bangkok on 17 July 1965.

Objectives

Being as financial institution, the specific objectives of Saving and Credit Cooperatives are aimed to:

1. Encourage thrift among members. To encourage saving habit, the cooperative currently offers two types of savings:-
   - 1.1) **Shares:** All members are required to pay monthly shares at rates agreed by both the members and their cooperatives. The shares may be deducted directly from monthly salaries. Dividends can be paid to members at rates specified by without tax deductions. When resigning form a cooperative, the member can withdraw his/her shares.
   - 1.2) **Deposits:** Both current and fixed deposits are generally offered to cooperative members. Interests on these deposits may be equal to, or higher than commercial bank rates depending on the financial status of each cooperative.

2. Provide loan services to members. Members' shares and deposits comprise significant part the loan funds made available to members with interest charged usually at rates lower than that of the prevailing market rates. The general three types of loans provided by this cooperative type are:
   2.1) *Emergency loans:* In crisis or emergency cases, a member may borrow up to half of his/her monthly income, depending on the cooperative financial status, without collateral. Repayment is normally made in two installments.
   2.2) *Ordinary loans:* The cooperative can provide an ordinary loan, again, depending on its financial status. This can be between 4 to 15 times, of member monthly incomes or within the range of baht 40,000 to 300,000 with one other member acting as guarantor. Normal repayment in this regard is ranged from 24 to 72 installments. The maximum amounts allowed for emergency and ordinary loans are based on the average amount of members' incomes.
   2.3) *Special loans:* When the cooperative extends its services to housing and investment purposes, a member may borrow the actual amount required for constructing or purchasing houses, land and other permanent investments, generally, not exceeding the ceiling amount of between baht 400,000 to 1,000,000. Repayment period is between 10 to 15 years, using real property as collateral.

Cooperative Operations

After a Saving and Credit Cooperative is formed, the members will elect their representatives at the annual general assembly as board of director to administer cooperative businesses. The Board meets at least once a month to determine operational policies to be implemented by the cooperative staff. The staff normally includes a manager, an assistant manager, accountants, bookkeepers, etc., depending on the cooperative size and financial situation.

Saving and Credit Cooperatives raise capital funds through shares, deposits, reserve funds, loan funds, and support fund or donations.

Rights and responsibilities

In its essence, a cooperative belongs to its members. Effective and efficient management of the cooperative is ensured when members exercise their rights and responsibilities properly. The most important responsibility of the individual member is attendance at the annual general assembly (AGA). The AGA gives him/her the opportunity to protect membership rights, a fair sharing of benefits and monitor cooperative operations. It provides also a forum to determine general policies, elect committee members and assign tasks to further benefit all the members. Within the framework of cooperative principles, laws and regulations and procedures, members must discuss problems together, share ideas and exercise the right to vote on committees and meeting resolutions.

6. Service Cooperatives

The service cooperative is another cooperative type formed by persons engaged in the same occupation to deal with common concerns including building up employment security and maintaining the members' existing occupation.

Background

The first service cooperative formed among traditional umbrella makers' groups, named Bo Sang Umbrella Makers Cooperative, was established at Ton Pao sub-district, Sankampaeng District, Chiengmai Province in 1941. Presently, the Cooperative has expanded its business to cover a wider service to their members and re-name it as the Bor Sang Umbrella Handicraft and Wood Products, Ltd.

Later, in 1953, the Nongkham Electricity Service Cooperative, Ltd. was established in the Nongkham district, Bangkok to provide electricity services to the general public. However, in 1978 the Provincial Electricity Authority of Thailand was established to take over this cooperative business for achieving the

economy of scale. In 1954 the Aranyik Knife Cooperative, Ltd. was set up at Tung Chang Sub-district, Nakorn Luang District, Ayutthaya Province. The number of service cooperative has increased since then.

Objectives

Service cooperatives are set up for a number of reasons such as

1. To provide services within the cooperative framework for members.
2. To procure supplies/materials and consumer goods for sale to members at fair prices;
3. To encourage thrift among members through savings and deposits;
4. To provide loan funds to members for occupational uses, including releasing in times of crisis;
5. To create markets for members' products;
6. To assist members in matters of court litigation;
7. To promote social safety among members and their families;
8. To promote self help and mutual help concept among members;
9. To provide cooperative education and training including related subject on members' occupation; and
10. To cooperate with other cooperative organizations for cooperative movement development.

The operation of service cooperative is patterned as that of consumer cooperative in the preceding section. At the annual general assembly, members will elect their representatives according to the new Cooperative Act, B.E.2542 not exceeding 15 persons as board of directors, whose responsibility is to administer the cooperative.

Types of Service Cooperative

At present, there are several types of service Cooperative such as:

- ***Cottage Industry Cooperatives***. These are formed among handicraft workers to deal with problems of raw materials and marketing. They encourage the utilization of local materials for production
- ***Transportation Cooperatives*** which are formed among low-income people, engaged in transport services. Currently, this cooperative type consists of: Bus Cooperatives; Taxi Cooperatives; Tricycle Cooperatives; and Mini-bus Cooperatives.
- ***Housing and Community Service Cooperatives*** These are formed to serve groups facing housing and/or community needs problems. They can be sub-divided to two types of Housing Cooperative and Community Service Cooperatives.
- ***Infrastructure Service Cooper***atives. These are formed among people in the same or nearby communities to deal with shared infrastructure concerns. There are currently three categories under this cooperative type of Electricity Cooperatives; Artesian Well Water Cooperatives; and Water Supply Cooperatives

There are still other service cooperatives apart from the ones mentioned above. These are: Employment Cooperative of Thailand, Ltd.; the Thai Construction Service Cooperative, Ltd.; and the Drinking Water Cooperative, Ltd.; and etc.

Benefits to Members

There are both general and occupation-specific benefits to those who join with service cooperatives. Among them are:

- Cottage industry cooperatives help members to improve their skills and production techniques to meet quality standards required by the market. Through joint buying and selling, members are able to save costs as well as increase incomes.
- Transportation cooperatives allow legal service operations by members, assuring them of consistent incomes and enabling them to keep track of transportation regulations.
- Housing cooperatives enable members to attain the basic necessity of housing for their families at affordable costs.
- Community Service Cooperatives ensure that community infrastructure is maintained properly over time, thus making full use of the members' own as well as government expenditures on

these infrastructures. The cooperatives shall play also in improving community health and safety.

- Infrastructure Service Cooperatives allow members access to necessary infrastructure at reasonable cost.
- All types of service cooperative provide members the opportunity to improve their quality of life through increased incomes, safety and access to occupational and family needs.
- Members receive dividends annually, and rebate according to business done.

7) Credit Union Cooperatives

The first credit union in Thailand was organized on July 25, 1965 by 13 pioneers with initial saving 360 Baht, its name was **"Soonklang Thewa Credit Union"**. Fr.Alfred Bonninque believed that dreams will come true if people join hands together and achieve their goals without bias to other people. This is the principle he believed people in the slums of Huay Kwang, Bangkok should observe to improve their live and be of equal level to other people in the society. The credit union is the meeting point of people who trust and people who help people.

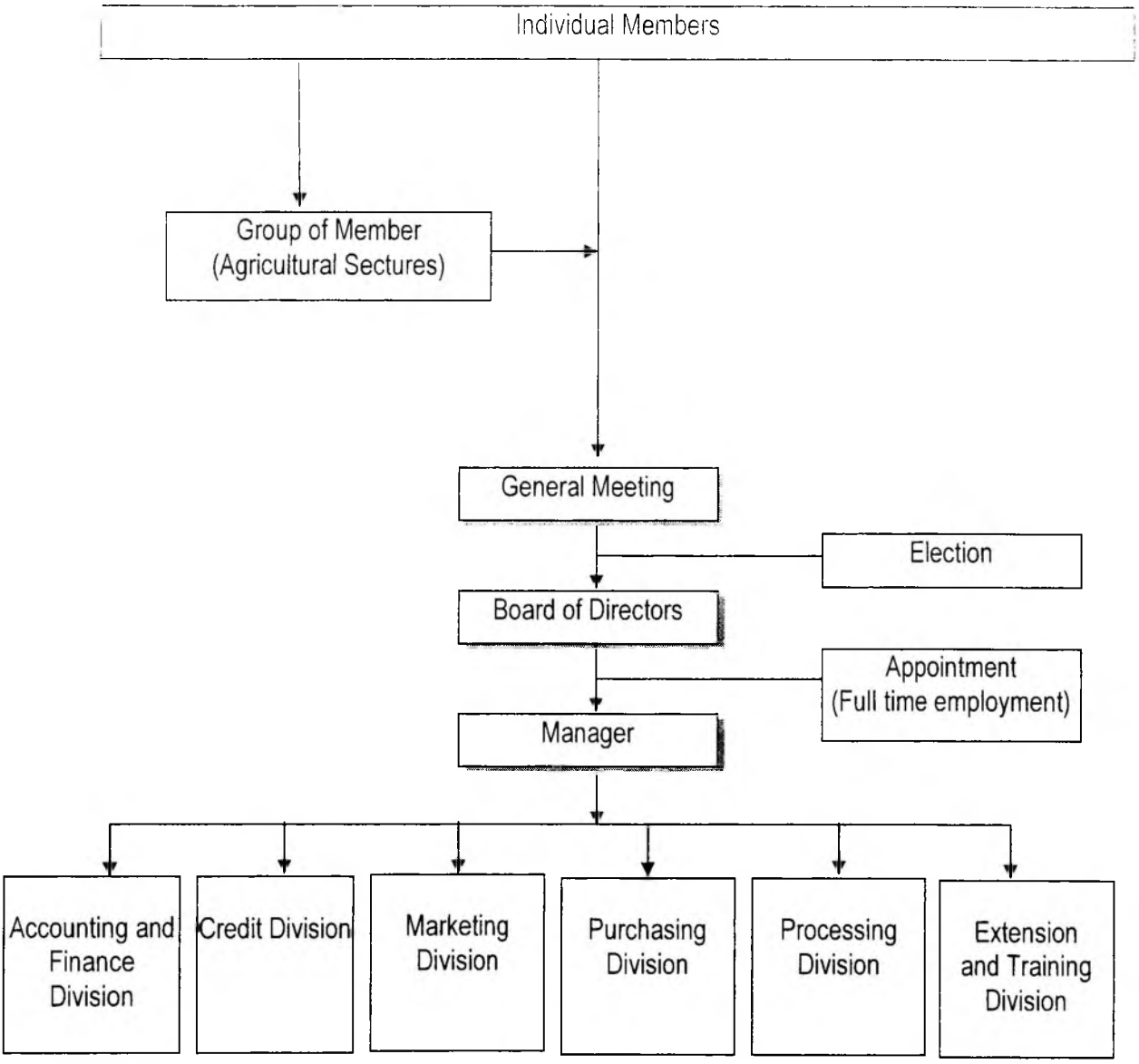
Organizational Structure of Cooperative in Thailand

Cooperatives in Thailand are vertically organized in a three - tiered system; primary cooperative at district level and federation at provincial and national level. The primary cooperative consists of individual members while members of provincial and national federations are cooperatives. The members will elect the board of directors (BOD) through the general assembly with maximum number is not greater than 15 persons for cooperative development policies formulation. The BOD, then, appoints a manager and staff to run the cooperative business.

Five or more cooperatives at primary or provincial level can together form a provincial or national federation to undertake joint activities on behalf of their primary affiliated such as processing and trading of agricultural produces.

At national level, there is the Agricultural Cooperative Federation of Thailand of which all 76 provincial agricultural cooperative federations are affiliates. There are also Sugarcane Growers Cooperative Federation of Thailand, Swine Raisers Cooperative Federation of Thailand, Dairy Cooperative Federation of Thailand and Onion Growers Cooperative Federation of Thailand. Land Settlement Cooperatives, however, has only a regional federation in the Central Region whereas Thrift and Credit Cooperatives, and Consumer Cooperatives are affiliated in a national federation of their own.

Structure of Primary Cooperatives



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สันนิบาตสหกรณ์แห่งประเทศไทย
The Cooperative League of Thailand

The Birth of Thai Cooperative Movement

- 1915: The cooperative model was introduced in Thailand.
- 1916: 1st Cooperative was formed namely; Wat Chan Cooperative Unlimited.
- 1928: 1st Cooperative Act was enacted,
- 1935: Land Settlement Cooperative was established,
- 1937: Consumer Cooperative was established,
- 1941: Service Cooperative was established,
- 1949: Fishery Cooperative and Saving & Credit Cooperative were established,
- 1968: - 2nd Cooperative Act was amended,
  - The Cooperative League of Thailand was established,
- 1999: 3rd Cooperative Act was amended,
- 2005: Credit Union Cooperative was formed,
- 2009: 4th Cooperative Act was amended.

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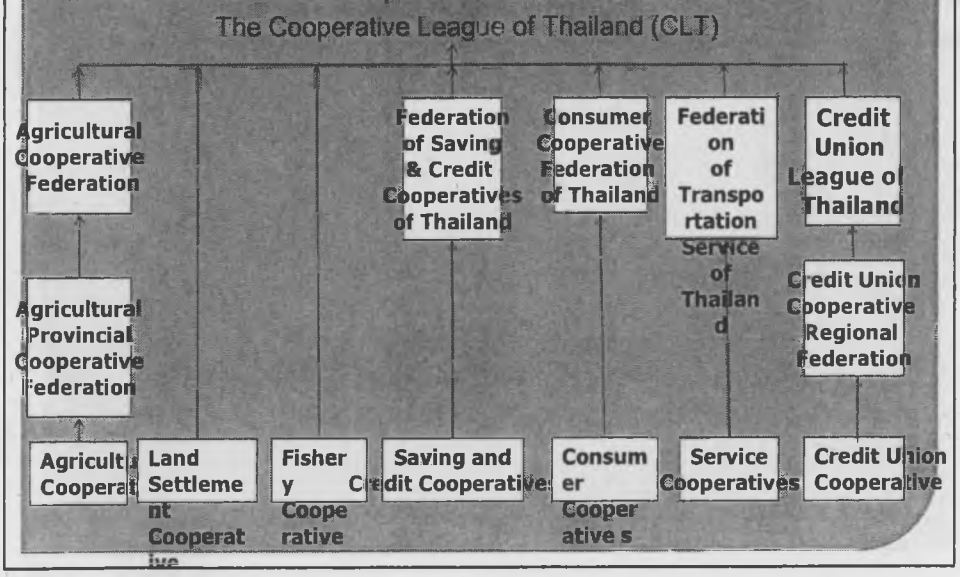
The Cooperative League of Thailand

Basic Structure of Cooperative Movement in Thailand



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The Cooperative League of Thailand

Relationship amongst cooperatives in Thailand

- of Agriculture and Coop
- Cooperative Development Board
- Cooperative Promotion Department (CPD)
- Cooperative Auditing Department (CAD)
- ative League of Tha
- onal Apex Organizat
- Cooperative Register
- National Coop Fede
- Regional Coop Fede
- Provincial Coop Fed
- Primary Cooperativ

สันนิบาตสหกรณ์แห่งประเทศไทย
The Cooperative League of Thailand

Management Structure

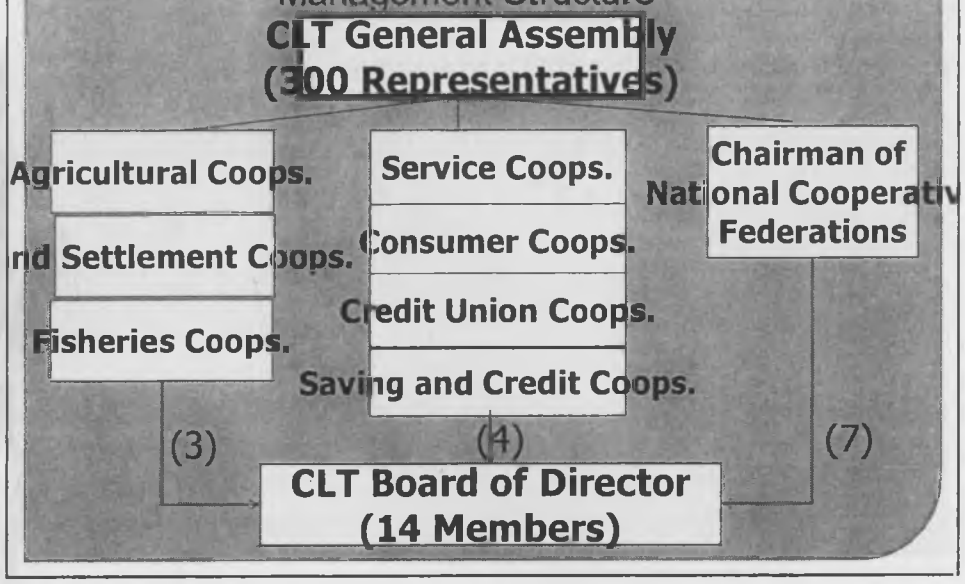
- Agricultural Sectors (3,983 Coop. Societies)
- Non-Agricultural Sectors (3,151 Coop. Societies)
- Chairman of National Cooperative Federations (7 persons By Law)

1. Agricultural Coops
2. Land Settlement
3. Fisheries Coops.
4. Saving and Credit Coops. (1,393)
5. Service Coops. (1,081)
6. Consumer Coops. (181)
7. Credit Union Coops. (496)

Cooperative Representatives (300

สันนิบาตสหกรณ์แห่งประเทศไทย
The Cooperative League of Thailand

Management Structure



สันนิบาตสหกรณ์แห่งประเทศไทย
The Cooperative League of Thailand

Responsibility and Accountability

- Dissemination of cooperative principles & ideology,
- Promotion and development of all cooperatives throughout the country,
- Education & training for development of cooperative leaders,
- Strengthening locally and international cooperation.

สันนิบาตสหกรณ์แห่งประเทศไทย
The Cooperative League of Thailand

Main Revenue - Incomes

- Member subscription,
- Government subsidy,
- Business surplus,
- Strengthening locally and international cooperation,
- Donation & others.

สันนิบาตสหกรณ์แห่งประเทศไทย
The Cooperative League of Thailand

- 116 Permanent staff
- Cooperative Training Center; ***Cooperative Products Distribution Center, and CLT Canteen***
- Conference/Seminar/Meetings Service
- 69 Rooms full services


Thank You &

angkasa

ANGKASA

MALAYSIAN NATIONAL CO-OPERATIVE MOVEMENT

The Apex Body For Co-operative Movement In Malaysia

http://www.angkasa.coop

BRIEF BACKGROUND ON CO-OPERATIVES IN MALAYSIA

BACKGROUND ON CO-OPERATIVES IN MALAYSIA

GOVERNMENT COMMITMENT

- Ministry of Domestic Trade, Cooperative and Consumerism
- National Cooperative Policy (2011 – 2020)
- Cooperative Law 1993

  Cooperative Regulation 1995

CO-OPERATIVE GOVERNANCE

NATIONAL COOPERATIVE POLICY

CO-OPERATIVES

- To increase contribution to the GDP
- To increase members' socio-economic status
- Concern on the environment
- Responsible corporate citizen

CO-OPERATIVE DEVELOPMENT

Strategic Thrust 1

Encourage co-ops involvements in high value economic sectors

Strategic Thrust 2

Strengthen the capacity and capability of co-ops

Strategic Thrust 3

Create and enhance the capability of co-op human resources

Strategic Thrust 4

Increase the confidence of the people in the co-op movement

Strategic Thrust 5

Strengthen the co-operatives through effective supervision and enforcement

- No. of cooperatives :
  - *to reach 16,000 co-operatives by 2020*
- No. of Co-operative Bank :
  - *to establish 4 co-operative banks by 2020*

PUTRAJAYA DECLARATION

MALAYSIA CO-OPERATIVE SOCITIES COMMISION (MCSC)

- To encourage the growth of development cooperatives and cooperatives sector.
- To monitor, supervise and regulate the cooperative sector;
- Maintaining the stability of the cooperative sector and congency in the cooperative movement.

PUTRAJAYA DECLARATION

CO-OPERATIVE COLLEGE OF MALAYSIA (CCM)

- To construct and improve the competence of human capital of the cooperative movement through short-term skills training programs and higher education programs / long-term professional certificates, diplomas and degrees;
- Producing research that can prevail for the development of the cooperative movement; and

PUTRAJAYA DECLARATION

CO-OPERATIVE COLLEGE OF MALAYSIA (CCM)

- Knowledge-based activities through the provision of consulting services and publishing educational materials for the benefit of the cooperative movement and society.

PUTRAJAYA DECLARATION

MALAYSIAN NATIONAL COOPERATIVE MOVEMENT (ANGKASA)

- To unite and represent Malaysia co-operative movement, both nationally and internationally;
- Stimulate and develop cooperative business by identifying and promoting new business, develop strengthen existing businesses and create a network of cooperation at national and international level

PUTRAJAYA DECLARATION

MALAYSIAN NATIONAL COOPERATIVE MOVEMENT (ANGKASA)

- Enhanced the knowledge and practice of co-operative values and principles in accordance with Cooperative Identity and Principle by ILO Recommendation 193, which recognizes cooperatives as a development tool towards the Nation economy, social and cultural life .

ECONOMIC ACTIVITY KEY RESULT AREAS

FINANCIAL SERVICES

WHOLESALE & RETAIL

TOURISM, PERSONAL & HEALTH CARE

AGRICULTURE & AGRO BASE INDUSTRY

ECONOMIC ACTIVITY
KEY RESULT AREAS

PLANTATION

TELECOMMUNICATION

PROPERTY DEVELOPMENT

STATISTICS OF MALAYSIAN CO-OPERATIVE MOVEMENT

angkasa

NO	SECTOR	TOTAL CO-OPS	INDIVIDUAL MEMBERS	TOTAL SHARES (RM MILLION)	TOTAL ASSET (RM MILLION)	TURNOVER (RM MILLION)
1	BANKING	2	1,000,750	3,320.99	87,848.95	2,893.45
2	CREDIT/FINANCE	596	1,357,897	5,580.55	11,269.76	905.44
3	AGRICULTURE	2,445	739,256	602.56	2,383.88	511.70
4	HOUSING	202	154,253	211.56	1,044.89	546.85
5	INDUSTRIAL	235	16,605	10.66	75.87	23.18
6	CONSUMER – adult	2,514	600,112	301.32	1,344.54	524.82
	CONSUMER - school	2,295	2,127,397	22.96	257.88	227.25
7	CONSTRUCTION	185	132,576	52.13	419.35	42.09
8	TRANSPORTATION	450	147,377	66.30	300.62	483.65
9	SERVICES	2,526	920,807	3,171.40	7,632.41	11,242.03
	TOTAL	11,450	7,197,030	13,340	112,578	17,400

Source: Malaysia Cooperative Societies Commission (MCSC) as at June 2014

THE MALAYSIAN NATIONAL CO-OPERATIVE MOVEMENT (ANGKASA)

THE MALAYSIAN NATIONAL CO-OPERATIVE MOVEMENT (ANGKASA)

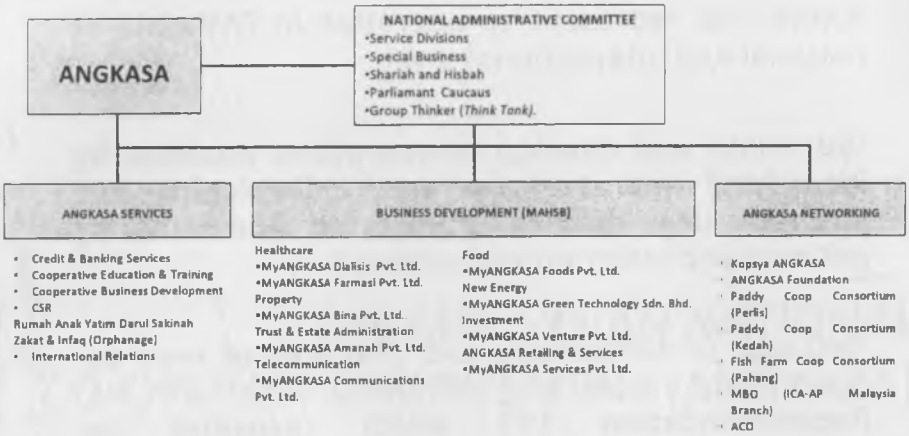
- Established on 12th May 1971
- Staff Strength - Nationwide : 738 staffs
- Head Office : Kelana Jaya
- Branches : Kuching, Kota Kinabalu
- State Liaison Offices : Nationwide (16)

ROLES & FUNCTIONS OF ANGKASA

- Unite and represent co-operative in Malaysia at national and international level
- Stimulate and develop co-operatives business by identifying new business areas, developing and strengthening existing businesses and creating national and international network
- Increase understanding and practices of pure co-operative's values and principles align with ILO Recommendation 193 which recognise co-operatives as a tool for economic and social development of the community

NATIONAL ADMINISTRATIVE COMMITTEE

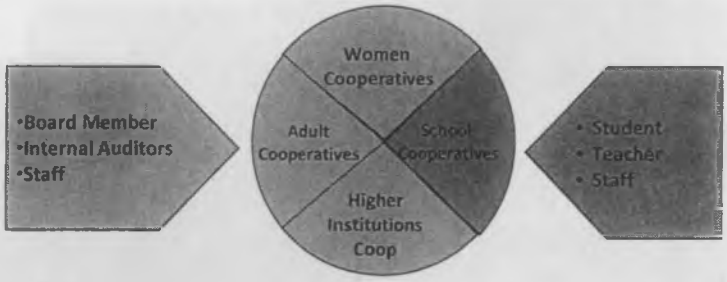
ORGANISATIONAL STRUCTURE OF ANGKASA



ANGKASA'S PROGRAMMES & ACTIVITIES

EDUCATION & TRAINING

EDUCATION & TRAINING



- Cooperative Identity
- Co-operative Governance
- Understanding Co-operative Financial Statement
- Roles & Responsibilities
- Public Speaking Skills
- Meeting Management Procedures
- Roles & Function of BOD / Internal Auditors
- Women Leadership
- Training of Trainers
- Writing Minutes of Meeting

TECHNICAL WORKSHOPS FOR ENTREPRENEUR


Food Production


Telecommunication


Manufacturing & Handicraft


Farming


Healthcare


Production of Organic Fertilizer


Biscuits & Pastry


Retailing & Wholeselling


Tailoring

BUSINESS DEVELOPMENT

RETAILING

- Co-op Mart

- Product Promotion Centre

CONSUMER PRODUCTS

CO OP 1

myangkasa
MYANGKASA HOLDINGS SDN. BHD.

fairza
Suci dan Bermata

adabi
BERSIH DAN ASLI

Nestlé

DEVELOPMENT OF CHILD CARE CENTRES (TCM)

- ANGKASA's TCM Training Institute
- Basic Course on Childcare
- Training on Managing & Running of Childcare Centre

TELECOMMUNICATION - MYCOOP - CLIXSTER

SAMATA COMMUNICATIONS

Incorporated April 2011
NSP/ASP License from MCMC
MVNO Agreement with DiGi

clixster mobile

Subsidiary of SAMATA
Incorporated December 2012
ASP License from MCMC
Telecommunication Services

ameen

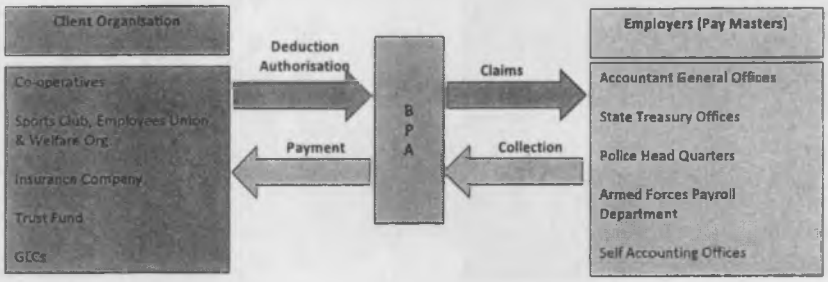
HEALTHCARE

- Hemodialysis
- Pharmacy

ISLAMIC FINANCE CO-OPERATIVE (KOPSYA)

SALARY DEDUCTION SERVICE

- Established in 1977
- **Total deductions** :
  1977 – RM1.5 million per month
  2013 – RM972 million per month
- **Service charge** :
  0.6% to 2.0% of deduction amount



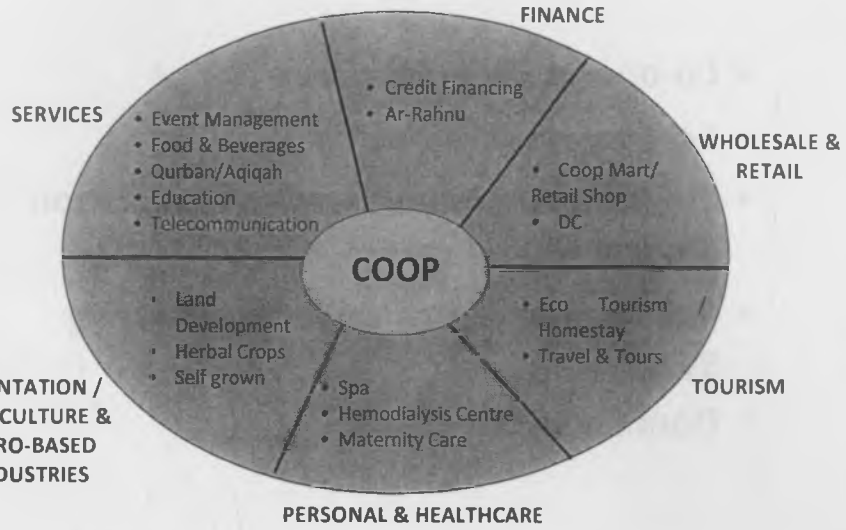
FORMATION OF CO-OPERATIVES

MOSQUE CO-OP

- Centre in generating company
- Fulfill in social & cultural requirements thus strengthening the solidarity and spirit of cooperation
- Knowledge development centre

FORMATION OF CO-OPERATIVES

MOSQUE CO-OP PRODUCTS & SERVICES



FORMATION OF CO-OPERATIVES

PRODUCER'S COOP CONSORTIUM

PADDY

FISH

VEGETABLE

ICT SERVICES

- Co-operative Webpage
- Co-operative E-Trading
- Co-operative Members Communication System
- Registration & Digital Ballot Counting System
- Domain .coop

PROTECTION SCHEME & SOCIAL SERVICES

- Tabarru'
- Infaq Lil – Waqf
- Zakat
- Coop Volunteers
- Education Loans

INTERNATIONAL PARTICIPATION & CONTRIBUTION

- Representing the co-operative movement at international level
- Active member & elected Board Members of the International Co-operative Alliance
  - ICA
  - ICA-AP
- ACO (ASEAN Co-operative Organisation)
- ICA-AP Malaysian Business Office
- Cooperative Decade 2020

ICA-AP MALAYSIAN BUSINESS OFFICE

Strategic Objectives :

a.To increase the business interactions and exchanges between/among Consumer Cooperatives, Cooperative Insurance & Banking, especially with the countries in middle east sub-regions;

b.To promote 'Cooperative trade' strategically by the modes of 'Fair-trade' and 'B to B trade platform' through the Internet in the Region;

c.To promote the technical exchanges and assistances in IT technology in the forms of workshop and training;

d.To transfer the technical and managerial know-how, especially in business areas of 'Resource Recycling' and 'Renewable Energy' businesses; and

e.To promote cultural exchanges of youth cooperators in the Region

ASEAN COOPERATIVE ORGANISATION (ACO)

I. Carry out economic development programs with the creation of cooperative business networks among members of ASEAN cooperation. Help market the products of small and medium cooperatives in ASEAN countries and global

II. Run partnership program that can help society in terms of social and economic responsibility, by organizing seminars and conferences and exchange of expertise among cooperatives ASEAN countries

III. Care for environmental issues affecting society ASEAN countries

MALAYSIA NATIONAL CO-OPERATIVE MOVEMENT
(ANGKASA)
(BALANCE SHEET AS AT 31 DECEMBER 2014)

	GROUP ANGKASA & SUBSIDIARIES 2014 RM	GROUP ANGKASA & SUBSIDIARIES 2013 RM	MALAYSIAN NATIONAL CO-OPERATIVE MOVEMENT (ANGKASA) 2014 RM	MALAYSIAN NATIONAL CO-OPERATIVE MOVEMENT (ANGKASA) 2013 RM
PROPERTIES, PLANT AND EQUIPMENT	67,770,859	67,262,321	66,878,794	66,211,186
DEVELOPMENT PROPERTIES	216,197	-	-	-
INVESTMENT IN SUBSIDIARIES	-	-	4,500,000	4,800,000
OTHER INVESTMENTS	27,048,325	13,261,073	27,048,325	13,261,073
	95,035,381	80,543,394	98,426,119	83,472,263
CURRENT ASSESTS				
Inventories	391,623	702,111	48,872	50,872
Trade Receivables	2,710,806	2,738,498	-	-
Other Receivables	13,180,517	17,286,398	13,154,772	17,187,685
Deposit & Prepayment	405,420	374,470	388,388	374,470
Amount Due from Subsidiaries	-	-	1,854,846	1,702,587
Cash and Cash Equivalents	146,873,408	99,041,018	146,158,780	99,571,318
	163,061,774	120,155,483	161,644,665	117,876,583
CURRENT LIABILITIES				
Trade Payables	1,355,743	436,561	-	-
Salary Deduction Services Payables	44,780,328	8,423,080	44,780,328	8,423,080
Other Payables & Accruals	13,488,434	10,110,123	13,074,218	9,781,825
Provision for Taxation	6,000	2,283,583	-	2,283,583
	58,628,485	22,253,347	57,854,546	21,488,488
NET CURRENT ASSETS	103,035,769	97,902,136	103,789,119	96,388,115
	198,072,150	178,445,530	202,215,238	178,860,388
RESERVE BY				
Retirement Fund	9,738,328	7,887,667	9,738,328	7,887,667
Accumulated Profit	187,873,084	169,324,951	191,172,152	170,793,828
	197,612,382	177,212,618	200,911,480	178,681,518
LONG TERM LIABILITIES				
Deferred Tax Liabilities	1,359,768	1,232,852	1,306,758	1,168,852
	198,972,150	178,445,530	202,218,238	178,860,388

MALAYSIA NATIONAL CO-OPERATIVE MOVEMENT
(ANGKASA)
(INCOME STATEMENT FOR YEAR ENDED 31 DECEMBER 2014)

	GROUP (ANGKASA & SUBSIDIARIES) 2014 RM	GROUP (ANGKASA & SUBSIDIARIES) 2013 RM	MALAYSIAN NATIONAL CO-OPERATIVE MOVEMENT (ANGKASA) 2014 RM	MALAYSIAN NATIONAL CO-OPERATIVE MOVEMENT (ANGKASA) 2013 RM
REVENUE				
Main business – Salary Deduction Services	126,317,967	114,082,723	118,280,985	110,313,895
Cost of Sales	(7,507,967)	(3,282,239)	-	-
Gross Profit	118,810,000	110,800,484	118,280,985	110,313,895
Operating Income	3,537,841	2,778,073	3,532,988	2,720,263
Total Income	122,347,841	113,578,557	121,813,964	113,034,158
EXPENSES				
Operating Expenses	39,331,211	21,809,800	29,713,984	20,938,836
Other Operation Expenses	3,474,446	2,719,910	3,474,446	2,719,910
State Representative Offices (Angkasa Branch)	2,861,723	1,912,211	2,861,723	1,912,211
Salary, Allowance and Staff Benefit	50,003,870	43,658,299	48,314,871	42,586,832
Meeting Allowance and Travelling Claims by the Committee	4,307,612	3,641,512	4,307,612	3,641,512
Education, Publication and Development	1,076,059	1,467,087	1,111,040	1,467,087
Corporate Social Responsibilities	890,035	446,680	890,035	446,680
Contribution for Education Loan Scheme of Angkasa	1,057,124	1,800,729	1,057,124	1,800,729
Supply and Marketing	-	11,864	-	11,864
Key Performance Indicator	258,160	204,658	258,160	204,658
Computer Maintenance	2,327,709	2,014,178	2,327,709	2,014,178
Finance Cost	114,241	34,793	114,241	34,793
Total Expenses	96,882,190	79,731,722	94,529,145	77,771,485
Profit before Zakat and Tax	25,465,651	33,847,835	27,283,839	35,262,673
Zakat	(1,581,602)	(1,263,934)	(1,581,602)	(1,263,934)
Profit Before Tax	23,924,049	32,583,901	25,732,237	33,998,739
Taxation	(5,275,976)	(8,166,602)	(5,263,914)	(8,102,602)
Net Profit for the year	18,648,073	24,417,299	20,468,323	25,896,137

THANK YOU

Website: http://www.angkasa.coop
Email: international@angkasa.coop

KRIBHCO

COOPERATIVE MOVEMENT IN INDIA

- Cooperation means living, thinking and working together.
- It refers to an organisation of individuals for achieving a common economic objective by mutual help and collective effort.
- Cooperatives are based on the values of self-help, self-responsibility, democracy, equality, equity and solidarity.
- Around the world modern cooperatives have developed for over 200 years. The organised cooperative movement has grown steadily all over the world since the 18th Century.

KRIBHCO

- Globally, cooperatives have been able to elevate its position as a powerful economic model. In some countries they are a sizeable force within the national economy.
- Cooperatives played, are playing and will play a major role in improving the lives of people around the world.
- In 90 countries of the world, over 700 million individuals are members of Co-operative institutions.

KRIBHCO

THE PRINCIPLES OF COOPERATION

1. Voluntary and Open Membership

2. *Democratic Member Control*

3. *Member Economic Participation*

4. *Autonomy and Independence*

5. *Education, Training and Information*

6. *Cooperation among Cooperatives*

7. *Concern for the Community*

KRIBHCO

- In India cooperation has its origin in the last quarter of 19th Century in attempts to provide relief to the farmers from the clutches of money lenders.

- The cooperative movement was introduced in India as a State policy and owes its inauguration to the enactment of the Cooperative Societies Act, 1904.

- In the pre-independence era the movement has passed through various stages of development and has seen ups and downs.

KAIBHCO

- The dawn of Independence in 1947 and the advent of planned economic development ushered in a new era for cooperatives. Cooperation came to be considered as an instrument of planned economic development.

- Pandit Jawahar Lal Nehru was a great admirer of cooperatives and he conceived to convulse the country with cooperation. In five year plans, the agricultural sector was given highest priority and as a result cooperatives registered big expansion in different sectors.

- Cooperatives play a vital role in the economy of India.

KAIBHCO

- At present the Indian Cooperative system is one of the biggest in the whole world. It is one of the strongest pillars on which agriculture and allied sector is flourishing .

- In India there are 6 lakh cooperative societies of all kinds with membership of 250 million covering almost 100% of villages and 30% national population in membership.

- About 21 national cooperative federations, 386 state level federations and 3111 district federations leading and guiding the cooperative movement of the country.

KRIBHCO

Cooperation in a vast country like India is of great significance because :

- It is an organization for the poor, illiterate and unskilled people
- It is an institution of mutual help and sharing
- It softens the class conflicts and reduces the social cleavages
- It reduces the bureaucratic evils and follies of political factions
- It overcomes the constraints of agricultural development
- It creates conducive environment for small and cottage industries

KRIBHCO

- Cooperatives are working in almost every field of business, particularly relating agriculture like credit, agro- input production and distribution, agro-processing and value addition, storage, marketing, warehousing, dairy and fishery etc.

- With widespread coverage, diversified business activities and ample success stories, the cooperatives in the country are playing an important role in addressing the problems faced by the farmers.

KRIBHCO

The share of Co-operatives in National economy is as follows :

- Fertilizer disbursed - 36%
- Fertilizer production - 27%
- Sugar produced - 47%
- Wheat Procurement- 33.5%
- Animal Feed Production/Supply - 50%
- Ice Cream Manufacture - 45%
- Oil Marketed (Branded) - 49%
- Cotton yarn/Fabrics Production - 23.0%
- Storage Facility (Village level PACS) - 65.0%
- Direct employment generated- 1.22 million

KRIBHCO

- Fertilizer production and distribution is one of the important sectors where cooperatives made tremendous progress.
- The first fertilizer cooperative IFFCO was formed during 1967 as an experiment in the sophisticated field.
- One of the largest fertilizer projects in the world, Krishak Bharati Cooperative Limited (KRIBHCO) was registered on 17th April, 1980 to implement a giant ammonia /Urea Complex at Hazira in Gujarat State.
- It is a national level multi-state Cooperative society jointly promoted by Govt. of India, NCDC and cooperative societies from all over the country.
- The giant Project was successfully completed at a capital cost of Rs. 890 crores, less than the estimated cost and before schedule. The installed capacity of the Plant is 17.29 lakh MT of Urea per annum. After the revamp in 2011-12 increased to 21.95 lakh MT.

KRIBHCO

Problems and Challenges

- Inadequacies in governance preventing the cooperatives to function in a democratic manner.
- Low volume of business and low resource base.
- Inadequate resources for modernization.
- Inability to achieve higher level of professionalization required to survive in the competitive environment.
- Excessive dependence on the Government .
- Restrictive provisions in the cooperative laws.

KRIBHCO

Problems and Challenges

- Lower percentage of active members.
- Lack of planning, coordination and monitoring at different levels of cooperative structure.
- Dilemma in striking a balance between institutional objectives such as members prosperity and participation and enterprise goals like earning profit and financial viability.

KRIBHCO

Need of the hour

- Reforms are required to overcome the shortcomings of cooperatives and consolidate its strengths.
- Ensure participation of active members in management of cooperatives.
- Restore democratic character of cooperatives both in management and business process.
- Need to have an effective mechanism for identification and rehabilitation of sick cooperatives.

KRIBHCO

Need of the hour

- Restore confidence of the people in the cooperative sector to achieve the goal of inclusive development.
- Revamp the cooperative governance structure through necessary legal and policy reforms.
- Serious attempt has to be made to formulate corporate vision, mission, strategic planning and corporate values.
- To improve performance and productivity professionalism should be inculcated at all levels.
- A second line of effective management must be groomed to support the higher management in operational matters and to provide them adequate time to concentrate on policy matters.
- Need to evolve a systematic approach towards manpower planning, recruitment, placement, grooming of staff , motivating them and increasing productivity.

- "The secret of successful cooperative efforts is that the members must be honest and know the great merit of cooperation and it must have a definite progressive goal."

  Mahatma Gandhi

- "Cooperation is an ideal, not a mere system and therefore it can give rise to innumerable methods of its application."

  Rabindranath Tagore

- "My outlook is to convulse India with the cooperative movement ....."

  Pt. Jawaharlal Nehru

- "Cooperatives, to a fellow like me, is a matter of faith. It is almost a religion. Unless you have faith, certain things cannot be done"

  Dr. V. Kurien

- "Co-operatives are a reminder to the international community that it is possible to pursue both economic viability and social responsibility"

  Ban Ki-moon, UN Secretary General

- "The only thing that will redeem mankind is cooperation."

  Bertrand Russel

KRIBHCO

KRISHAK BHARATI COOPERATIVE LIMITED

KRIBHCO

Incorporated on 17th April 1980 Under the Multi State Cooperative Society Act.

Total Number of stake holders (as on 31.03.2015):

9475 member Cooperative Societies

Dividend: During the year 2013-14, the Society is paying a dividend of 20% on the paid-up share capital for the 10th consecutive year. For year 2014.15 not yet decided.

KRIBHCO

MANUFACTURING FACILITIES

PLANTS	Production Capacity (Million mt/Annum)	
Urea - Ammonia Complex	Urea	Ammonia
KRIBHCO Hazira	2.195	1.295
KRIBHCO Shyam Fert. Ltd. (Joint Venture at Shahjahanpur)	0.864	0.502
OMIFCO (Joint Venture at Sur, Oman)	1.652	1.190

KRIBHCO

PLANTS	Prod. Capacity per annum
Argon	
KRIBHCO Hazira	6.77 Million NM^3
Seed	
15 Plants in 7 states	31.00 Million Kg.
Bio-fertilisers	
3 units (Hazira, Lanja & Varanasi)	750 mt
Other Equity Participation - Gujarat State Energy Generation Ltd. - Nagarjuna Oil refinery Ltd. - Nagarjuna Fertilisers & Chemicals Ltd. - Indian Commodity Exchange	

KRIBHCO

KRIBHCO Infrastructure Limited (KRIL)

The Society has diversified into logistics business through wholly owned subsidiary – KRIL for logistics and allied activities.

KRIL is operating 8 container trains and 1350 containers throughout the country on IR network. ICD/PFT at Hazira & Rewari are in operation and 2 more are in advance stage of completion.

Possibility is also being explored to setup Logistics Park / ICDs / CFS / Free Trade Warehousing Zone at various other strategic locations.

KRIBHCO

KRIBHCO: Urea-Ammonia Complex at Hazira

KRIBHCO

KSFL: Urea-Ammonia Complex at Shahjahanpur

KRIBHCO

OMIFCO: Urea-Ammonia Complex at Sur, Oman

KRIBHCO

Apart form Production of fertilisers the Society also imports the following Fertilisers: -

IMPORT
Urea
The Society has an import license with 15 year validity for import of OMIFCO Urea. Out of the entire production of OMIFCO Urea at Oman, 50% is imported, handled and marketed by the Society.
DAP (18:46:0) / (16:44:0), NP (20:20:0), NPS (16:20:0:13) and MOP
The Society has been importing DAP / MOP / Complex Fertilisers to the tune of 400,000 mt per annum.

KRIBHCO

IMPORT EXPERIENCE

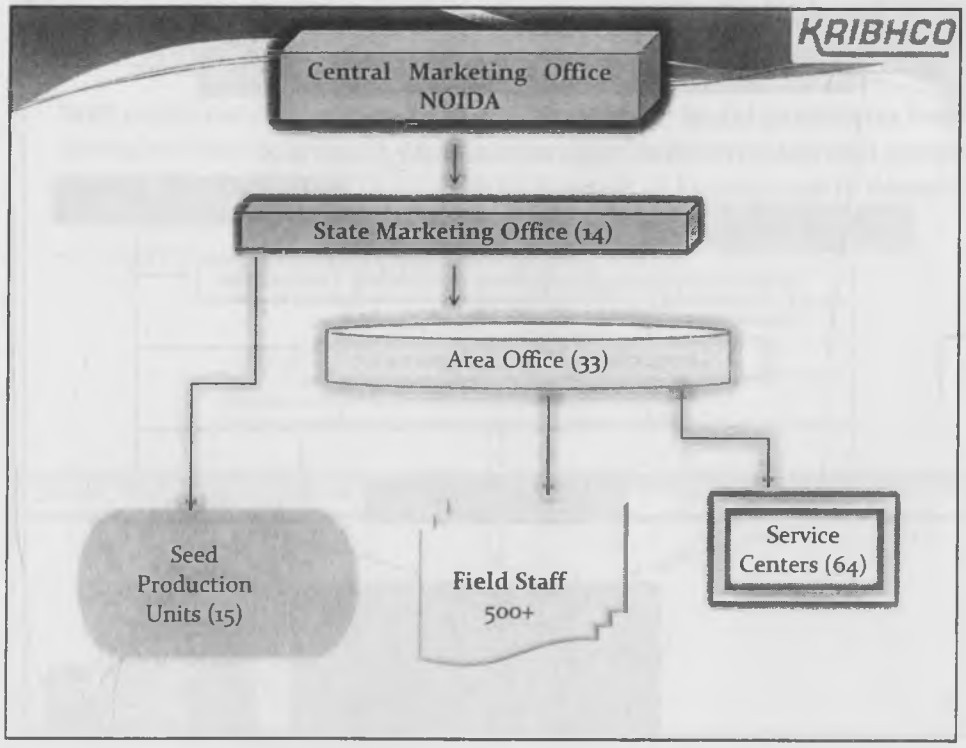
Start of import of finished fertilisers : Year 2004-05.

Ports operated: **Visakhapatnam, Tuticorin, New Mangalore, Krishnapatnam, Kakinada, Rozi, Kandla, Chennai, Mundra, Hazira,**

Product Imported - Urea, DAP, MOP, DAP Lite, NP & NPS

The entire cargo is marketed in various states through the Society's own marketing network. There are more than 500 highly experienced agricultural professionals posted through out the country, who operate in coordination with State Marketing Offices and Area Offices for marketing of fertilisers.

KRIBHCO



KRIBHCO

Area of Operation

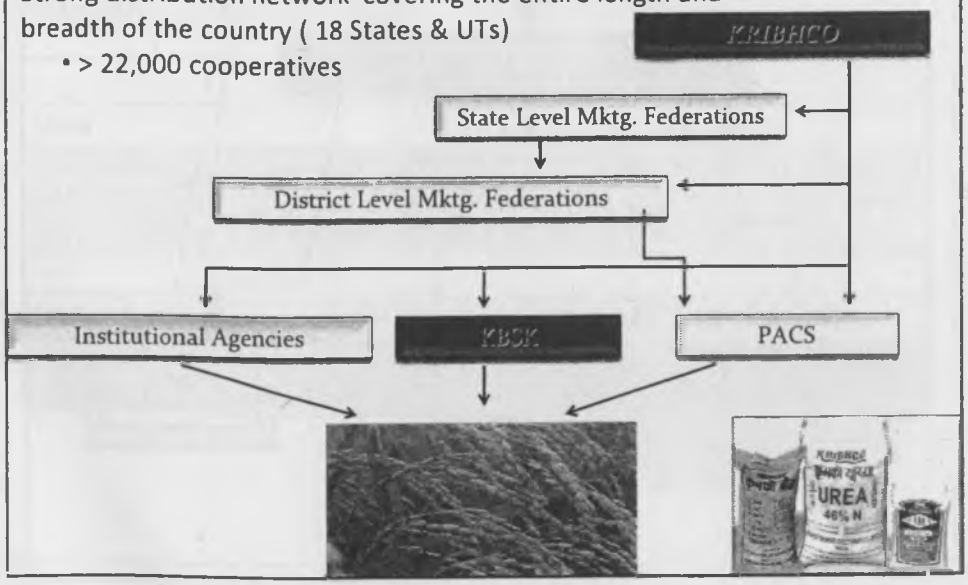
KRIBHCO

MARKETING CHANNEL – KRIBHCO UREA

Well established brand - *KRIBHCO*

Strong distribution network covering the entire length and breadth of the country (18 States & UTs)

- > 22,000 cooperatives



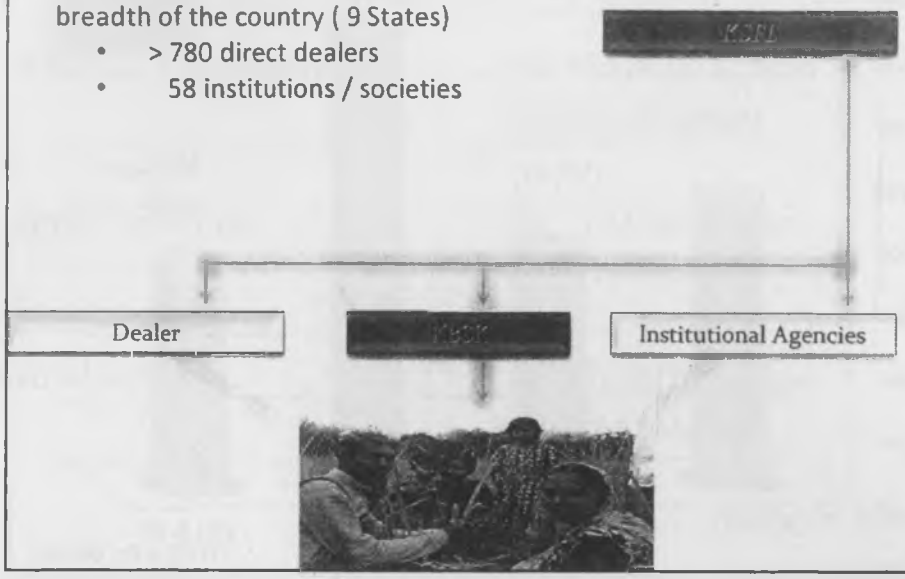
MARKETING CHANNEL - KSFL

KRIBHCO

Well established brand - *KRIBHCO*.

Strong distribution network covering the entire length and breadth of the country (9 States)

- > 780 direct dealers
- 58 institutions / societies



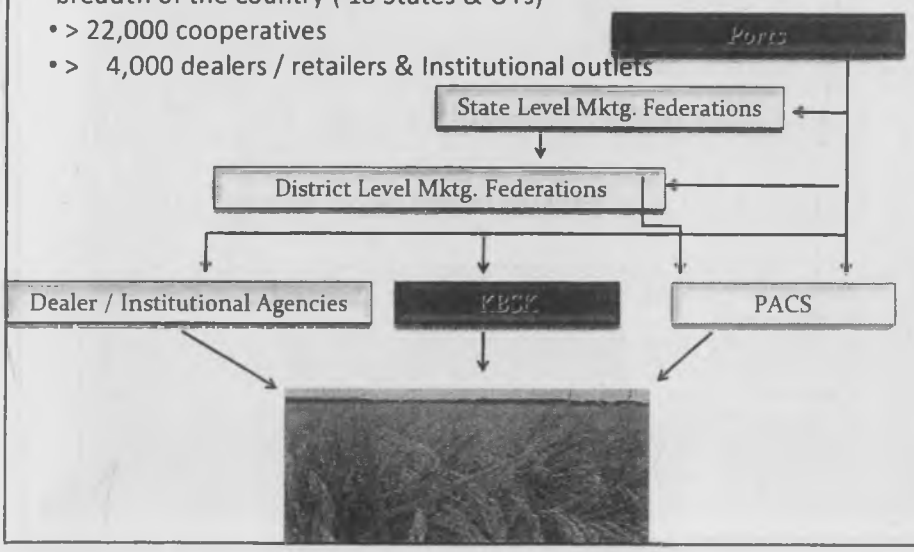
MARKETING CHANNEL – IMP. FERT.

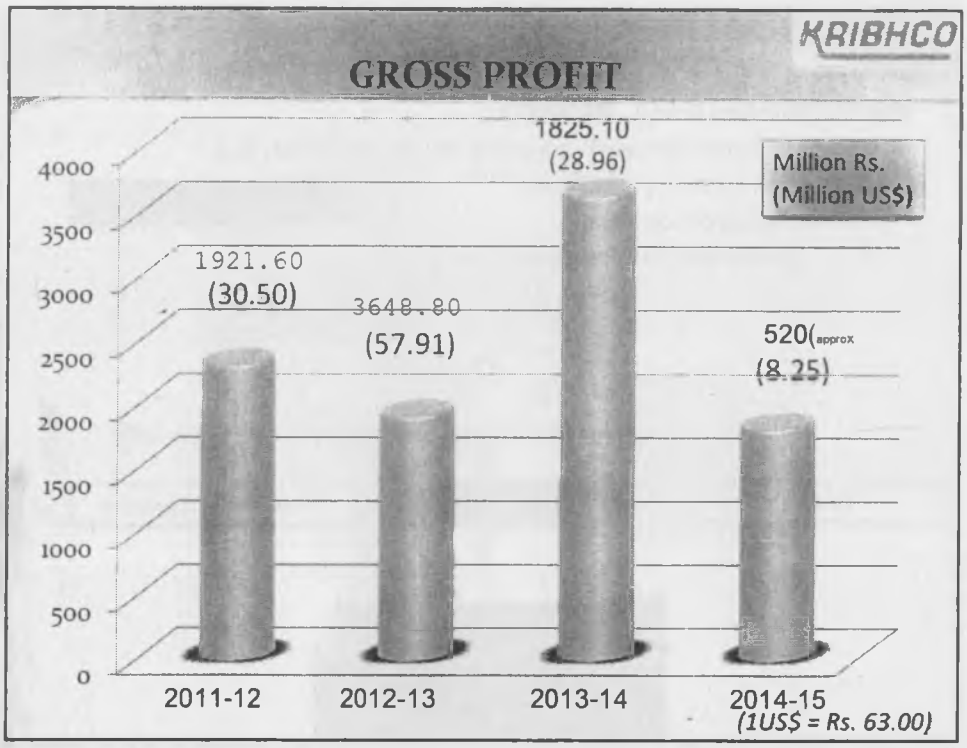
KRIBHCO

Well established brand - *KRIBHCO*.

Strong distribution network covering the entire length and breadth of the country (18 States & UTs)

- > 22,000 cooperatives
- > 4,000 dealers / retailers & Institutional outlets





KRIBHCO

MARKETING PERFORMANCE DURING 2014-15

Product		Quantity Sold
KRIBHCO Urea (Prilled)		2.254 Million mt
KSFL Urea (Prilled)		1.620 Million mt
OMIFCO Urea (Granular)		7.880 Million mt
Total Urea		4.662 Million mt
DAP (Imported)		0.221 Million mt
Certified Seeds		35.56 Million Kg.
Bio-fertilisers	Solid	332 mt
	Liquid	633.000 K Lit.
Surplus Ammonia		52840 mt
Liquid Argon		5.552 Million NM^3
Compost		24458 mt
Hybrid Seed	BT Cotton	300707 Packets
Hybrid Maize, Research & Hybrid Paddy and Pearl Millet		469.65 mt

KRIBHCO

INCOME DURING 2013-14

Revenue from Operations	: Rs. 56774.40 Million *(US$ 901.18 Million)*
Other Revenues	: Rs. 724.30 Million *(US$ 11.49 Million)*
Total Income	: Rs. 57499.70 Million *(US$ 912.67 Million)*

(1US$ = Rs. 63.00)

KRIBHCO

OTHER ACTIVITIES

Port Infrastructure

Vizag/ Tuticorin: Warehousing complexes with storage capacity of 30,000 mt fertilisers at Vizag & 15,000 mt at Tuticorin. The Society has also installed bagging machines at Vizag complex.

Hazira: Society's private jetty at Hazira is equipped with all related infrastructure such as conveyors, warehouse, automatic bagging machines, roads, railway siding etc.

KRIBHCO

NEW PROJECTS

The Society is planning to set up a DAP / Complex fertilisers plant with an annual capacity of 1.20 million mt in two phases at East Coast near Krishnapatnam in Andhra Pradesh.

KRIBHCO Urea

Imported Urea & DAP

Bio-Fertilisers

Certified Seed

Hybrid Seeds

Compost

KRIBHCO

SERVICE TO FARMERS

KRIBHCO

KRISHAK BHARATI SEWA KENDRA

DISTRIBUTION OF :

- FERTILIZERS
- HIGH YIELDING VARIETY SEEDS
- AGRO-CHEMICALS
- TECHNICAL LITERATURES
- FARM IMPLEMENTS

64 KBSK's IN OPERATION

STATE	UNITS (No.)
UTTAR PRADESH	36
HARYANA	17
PUNJAB	11
TOTAL	64

KRIBHCO

SERVICES

Some of the programs that the Society conducts for service to the farmers and betterment of the Society as a whole: -

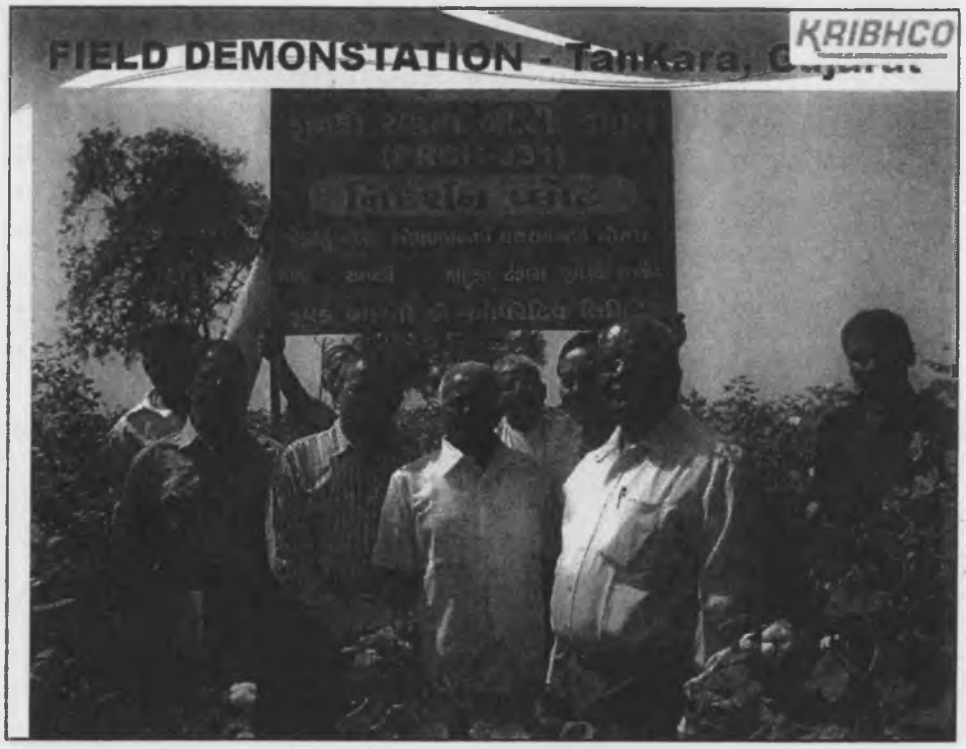
1	Exhibitions	10	Human Health Campaign
2	Block Demonstration	11	Livestock Health Campaign
3	Distribution of Technical Literature	12	Rural Sports / aid to schools
4	Cooperative Conference	13	Krishak Parivar Sangam
5	Cooperative Society Adoption	14	Group Discussion
6	Farmer's Meeting	15	Farmers' study visit
7	Soil & Irrigation Water Sampling	16	Kissan Helpline
8	Training for employment generation	17	Seminars
9	Aid to Schools	18	Construction of rural community centers

KRIBHCO

KRISHAK BHARATI SEWA KENDRA

KRIBHCO

FARMER'S MEETING


KRIBHCO
FIELD DEMONSTATION - TanKara, Gujarat


KRIBHCO
COOPERATIVE SOCIETY ADOPTION-U.P.
KRIBHCO

KRIBHCO

HUMAN HEALTH CHECK –UP IN UTTRAKHAND

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Field Demonstration in Gorakhpur (U.P.)

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SEED MULTIPLCATION PROGRAMME

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FARMER'S FAIR & -Moradabad (U.P.)

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Crop Seminar in Rajkot, Gujarat

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FARMER FAIR & CROP SEMINAR (U.P.)

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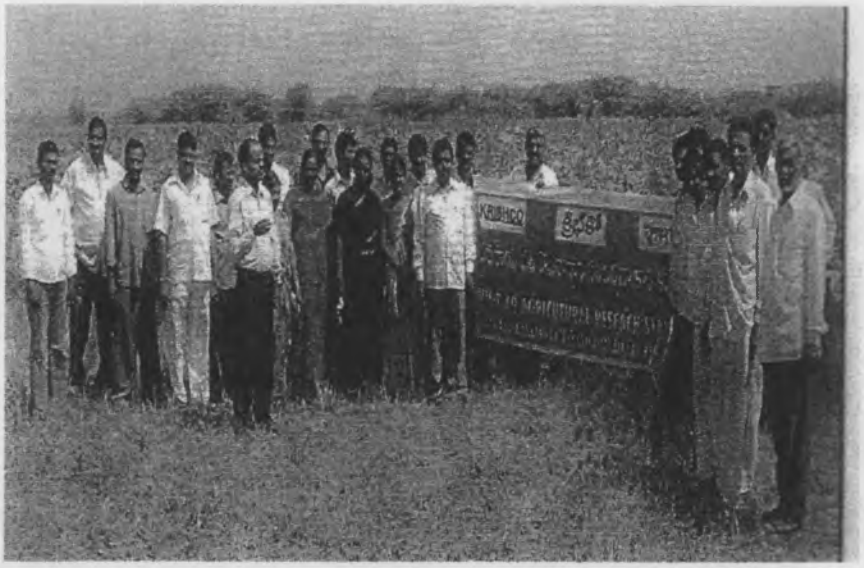
Farmers Visit to Research Station



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FARM IMPLEMENTS DISTRIBUTION- Haryana

KRIBHCO

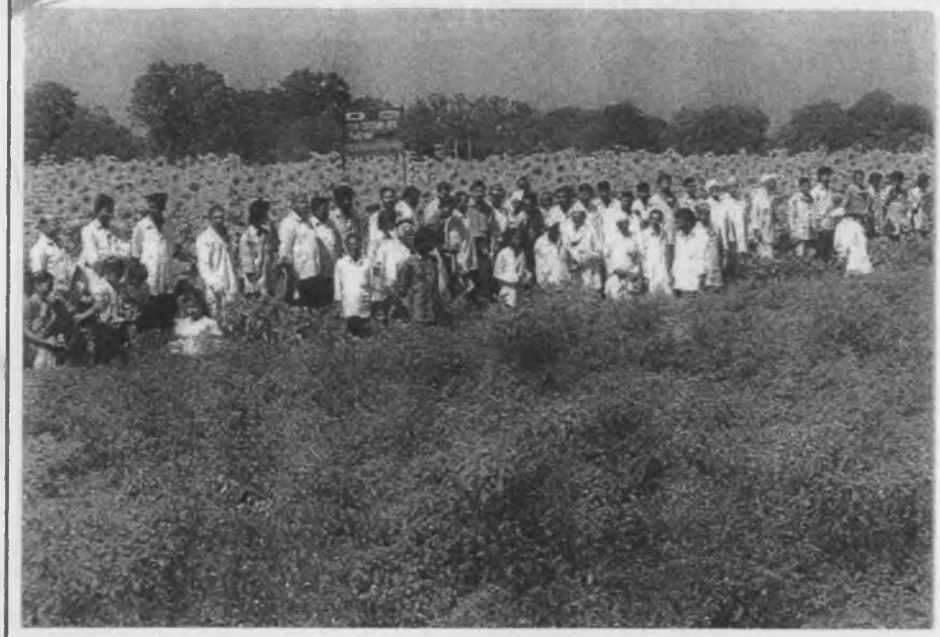
Krishi Pramarsh Kendra, NOIDA

KRIBHCO

COOPERATIVE CONFERENCE - PUNJAB

KRIBHCO

FIELD DAY



Financial Practices in KRIBHCO

- The Financial Statement are prepared on accrual basis of accounting under the historical cost convention on going concern basis in accordance with the Generally Accepted Accounting Principle in India, applicable Accounting standard issued by the Institute of Chartered Accountants of India and the provision of Multi State Cooperative Societies Act 2002
- The preparation of financial statement requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenue and expenses during the reported period.Diffence between the actual results and estimates are recongnised in the period in which the results are known/materialise.

- Fixed Assets are stated at historical cost less accumulated depreciation/amortisation.Cost compries of the purchase price and any attributable cost of bringing the asset to its working condition for its intended use
- Depreciation charged on useful life of assets.
- Borrowing costs that are attributable to acquisition or construction of qualifying assets are capilatlised. All other borrowing costs are recongnised as expense in the period in which they are incurred
- Current investments are valued at lower of cost and fair value determined on an individual assessment basis.

- Inventories are valued at lower of cost and net relizable value.
- Raw matewrial,Packing Material,Catqalysts in stores, Stores and Spares at weighted average cost.
- Sales are recognized upon the transfer of significant risks and rewards of ownership to the customer,evedenced by issue of Lifting certificate/Invoice to customers.
- Foreign curerency transaction are recorded on initial recongnition at the exchange rate prevailing on the date of the transaction. On settlement of transactiona, the relized gains/losses on FET are recongnised in P/L.

KRIBHCO

THANK YOU

A Country Report on India

For:

mall Cooperative Finance and Risk Management Training Cours

Nantong, China

June 8-13, 2015

Namaste  Greetings

Programme Officer

National Federation of Fishers Cooperatives Ltd., New Delhi

Email: sting.auratus@gmail.com

MAJOR CONTENTS

- About India.
- About Co-operatives in India.
- About National Federation of Fishers Co-operatives Ltd. (FISHCOPFED) and Its Activities.

India on the Globe

About India

- Worlds largest Democracy: For the people, from the people, by the people.
- Hindi, with the largest number of speakers, is the official language of the government. English is used extensively in business and administration and has the status of a "subsidiary official language"
- A country of South Asia.
- The word India is derived from *Indus* which originates from Old Persian word Hindu.
- Seventh largest country by area.
- Second most populous with above 1.2 billion people.
- Bounded by the Indian Ocean on the south, Arabian Sea on the south west and Bay of Bengal on the south east.
- Shares land boarders with some countries to the east, west and north west.

Contd.....

- World's four religion originated here(Hinduism, Buddhism, Jainism and Sikhism).
- In 1947 it became an independent nation from British.
- In 1991, India became one of the fastest growing major economies.
- Now Indian economy is world's 10th largest by nominal GDP.
- India is governed by a parliamentary system consisting of 29 states and 7 union territories.
- It is a pluralistic, multilingual and multi ethnic society.
- As per the Constitution of India has declared the right to freedom of religion.
- 78.35% of the population of India practice Hinduism. Islam (14.88%), Christianity (2.5%), Sikhism (1.9%), Buddhism (0.8%) and Jainism (0.4%)

National Symbols of India

National Currency
Indian Rupee (INR)

National Emblem:
Lion Capital of Asoka

National Flag

National River: **Ganga**
Natiional Tree: **Indian banyan (*Ficus bengalensis*)**
National Aquatic Animal: **Gangetic Dolphin (*Platanista gangetica*)**
National Anthem: **Jana Gana Mana**
National Song: **Vande Mataram**

National Symbols of India

National Fruit:
Mango (*Mangifera indica*)

National Bird
Indian peacock (*Pavo cristatus*)

National Animal
Bengal tiger (*Panthera tigris tigris*)

National Flower
Lotus (*Nelumbo nucifera*)

Geography & Biodiversity

- India lies to the north of equator.
- Coastline measures 7517 km.
- Indian climate is strongly influenced by the Himalayas and the Thar desert.
- Major Himalayan-origin rivers that substantially flows through India include Ganges & Brahmaputra, both of which drain into Bay of Bengal.
- India is one of 17 mega-diverse countries. It hosts 8.6% of all mammalian, 13.7% of avian, 7.9% of all reptiles, 6% of all amphibians, 12.2% of all piscine, and 6% of all flowering plant species.

Culture: Art & Architecture & Society

- The **Indus Valley Civilization** (**IVC**) was a Bronze Age civilization (3300–1300 BC; mature period 2600–1900 BC, pre-Harappan cultures starting 7500 BC) in northwest Indian subcontinent (including present day Pakistan, northwest India and some regions in northeast Afghanistan, see map).Along with Ancient Egypt and Mesopotamia, it was one of three early civilisations of the Old World, and the most widespread among them, covering an area of 1.25 million km^2
- Art and Architecture: Mughal Archetecture and Hindu temple architecture.
- India is notable for its religions diversity with Many beliefs and practices exist.
- Culture history spans more than 4500 years.
- Family values are important in Indian traditions.
- An overwhelming majority of Indians, with their consent, have their marriages arranged by their parents or other family members.

Sports

- **Hocky** is the National game of India.
- Several traditional indigenous sports are very popular, among them Kabaddi, Kho Kho, Pahalwani and gilli danda.
- Rajiv Gandhi khel Rantna and Dronacharya are the highest forms of government recognition for athletic achievement.
- **Chess** is originated in India and there are several famous grandmasters in India.
- Cricket, football, volleyball, badminton, tennis and other modern games are widely played in India and we have also won several world championship trophies .

Agriculture

- India ranks second worldwide in farms outputs.
- Agriculture and allied sectors like forestry and fisheries accounted for 16.6% of the GDP and about 50% of the total workforce.
- India is the world's second largest producer of the following agricultural produce: Wheat, Rice, Vegetables, fresh Sugar cane, Groundnuts, with shell, lentils, Garlic, Cauliflowers and broccoli, Peas green, Sesame seed, Cashew nuts with shell, Silk-worm cocoons, Cow milk, Tea, Potatoes, Onions, Cotton lint, Cottonseed, Eggplants (aubergines), Nutmeg, mace and cardamoms, Indigenous Goat Meat, Cabbages and other brassicas, Pumpkins, squash and gourds.

2. INDIAN CO-OPERATIVES

- The history of co-operative in India is more than a hundred years old.
- Total number of co-operatives at all level is 5,95,215
- Total membership 249.248 million
- 97% villages are covered by societies.
- Areas of co-operation are fisheries, handlooms, rubber procurement and marketing,oil,ice-cream, salt, fertilizer, housing, milk procurement, animal feed production and supply, retail fair price shops, credit and insurance etc.

National Agencies for Co-operatives

- National Co-operative Development Corporation (NCDC),
- National Co-operative Union of India (NCUI),
- Vaikunth Mehta National Institute of Co-operative Management, Pune,
- National Bank for Agriculture and Rural Development (NABARD)

are some institutions to propel the growth of the sector in India besides national level apex cooperative federation and the Department of Agriculture & Cooperation, Ministry of Agriculture, Govt. of India.

Acts

- NABARD Act, 1981
- Multi state co-operative Societies Act, 2002
- Model Co-operative Act, 1990,
- National Co-operative Policy (2002)

Successful Co-operatives: few examples

- Adarsh credit co -operative society ltd. (ACCS LTD), Begaluru
- Gujarat Co-operative Milk Marketing Federation Ltd. (GCMMF), **AMUL** (Anand Milk Federation Union Limited)
- Gujarat State Co-operative Cotton Federation. Ltd. Ahmedabad-9.
- Haryana Dairy Development Cooperative Federation Ltd. Sector 17-C, Chandigarh 160017
- Himachal Pradesh Co-operative Marketing and Consumers Federation (HIMFED), Shimla
- Indian Farmers Fertiliser Cooperative **(IFFCO)**
- **Krishak Bharati Co-operative Ltd. (KRIBHCO)**
- Kerala State Co-operative Federation for Fisheries Development (**MATSYAFED**), Karuvankonam, Thiruvananthapuram, Kerala.
- National Agricultural Co-operative Marketing Federation (NAFED)
- National Co-operative Agriculture & Rural Development Banks' Federation Ltd (NCARDB Federation)
- National Co-operative Consumers Federation (NCCF)
- **National Co-operative Union of India (NCUI)**
- **National Federation of Fishers Co-operatives Ltd, New Delhi (FISHCOPFED)**
- National Federation of State Co-operative Banks (NAFSCOB)
- National Federation of Urban Co-operative Banks & Credit Societies Ltd (NAFCUB)
- Rajasthan Co-operative Dairy Federation Ltd., Saras Sankul, Jawahar Lal Nehru Marg, Post Box No 1003, Jaipur 302017 (Brand Name: SARAS)

3. National Federation of Fishers Co-operatives ltd

National Federation of Fishermen's Co-operatives Ltd. – (popularly known as FISHCOPFED) is an Apex level Fisheries Cooperative Federation in India which represents all fishermen and fisheries cooperative organizations/ societies in the country. It is the global spokesman of Indian Fisheries Cooperative Movement. Its objectives are to promote and develop the fishery cooperative movement in India, to educate, guide and assist fishers in their efforts to build up and expand the fishery cooperative sector and serve as an exponent of cooperative opinion in accordance with cooperative principles. It was established in 1980 as All India Federation of Fishermen Cooperatives and was rechristened as National Federation of Fishermen's Cooperatives Ltd. in 1981. It is registered under the Multi-State Cooperative Societies Act 1984 and later deemed to be registered under the Multi-State Cooperative Societies Act 2002.

Sructure of Fishereis Co-operatives

- One Apex level federation- National Federation of Fishermen's Cooperatives Ltd., New Delhi (*Administrative Control of Union Ministry of Agriculture, Govt. of India*).
- State level Federation- 21
- Central/District Level Fisheries Cooperatives Societies- 125
- Primary Fishery Cooperative Societies- *14,620 (functional)*
- Membership- *21,59,228*

Objectives

The National Federation of Fishermen's Co-operatives (FISHCOPFED) is under the Administrative Control of the Department of Animal Husbandry, Dairying and Fisheries of Ministry of Agriculture, Government of India . This decision of the Cabinet on the subject was intimated vide Ministry of Agriculture letter No.A-11011/13/2001-CT dated 8th May 2003.

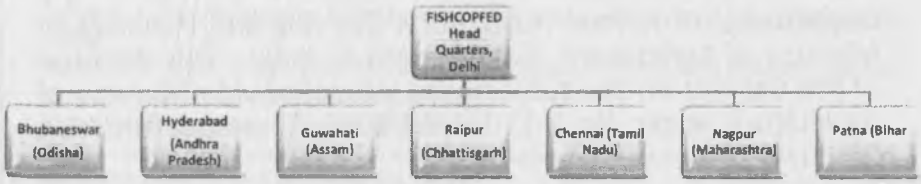
✓ The objectives of FISHCOPFED are far reaching and comprehensive. Its motto is to "facilitate, coordinate and promote fishing industry in the country through co-operatives and for this purpose to undertake, organize and develop production, processing, storage and marketing of fish and fish products and to manufacture and distribute machinery, implements and other inputs required by the fishing industry.

International Relations

- ✓ FISHCOPFED has been maintaining good relations with fishery co-operative movements all over the world. It is a member of the International Cooperative Alliance (ICA), International co-operative fisheries organization (ICFO) which is a sectoral organisation. The Federation has received a lot of support from the International Co-operative. Besides it has organized three ODA Seminars on Leadership Development in India.

- ✓ FISHCOPFED has been honoured by electing Mr. B.K. Mishra, Managing Director, FISHCOPFED as Vice Chairman of ICFO, Korea.

Regional/branch offices of FISHCOPFED



Activities

[redacted]

- Under Developmental or Promotional activities, FISHCOPFED organizes National Fisheries Co-operative Congress – a perennial highest forum of fishermen and fisheries cooperatives, seminars on different need-based and related subjects, conferences, workshops and meetings.
- Organization of Educational Programmes for non-official leaders, prospective leaders and office bearers in collaboration with the National Centre for Cooperative Education of National Co-operative Union of India, member education and Training Programmes for members, prospective members and active fishers.
- Transfer of Technology to fishers through cooperatives is an effective way to ameliorate the efficiency and capability of fishers and their co-operatives in providing appropriate coordination between man and machine.
- Development of Fisher women through co-operatives has been an on-board agenda of FISHCOPFED.
- As a follow up of a study got conducted by the Canadian Co-operative Association to develop fisher women through co-operatives, FISHCOPFED conducted another study on gender integration. Emphasis is laid on development of fisher women by imparting cooperative education and engaging them in the process of net making and transfer of technology. Imparting of knowledge and skill development on the subjects related to Health Care awareness against AIDS and Family Welfare in Fisher communities has been one of the important programmes of FISHCOPFED. Awareness on different aspects of cleanliness, hygiene and nutrition, was the integral part of the programme of the Union Ministry of Health and Family Welfare, implemented by FISHCOPFED.
- Conducting of Studies and their publication on relevant subjects from time to time include Impact of Centrally Sponsored Group Accident Insurance Scheme, Leasing Systems of Inland Waters , Manual on Export of Fish and Fish Products besides collection, compilation of data on Fisheries and publishing statistical bulletin.
- Besides the above, FISHCOPFED brings out a bi-lingual quarterly journal namely FISHCOOPS that contains very useful articles on different subjects of fishery, management and cooperatives and organizational news and views, fish in kitchen, etc.

Activities

[redacted]

- **Group Accident Insurance of Active fishermen**

  Under Welfare Activities, FISHCOPFED implements the most acclaimed Centrally Sponsored Group Accident Insurance Scheme of Active Fishermen throughout the country. To provide a link to the progress of Scheme and an interactive page for information about the accidental death/disability to insured under the Scheme has been added. **The Scheme provides for 24-hours accident cover amounting to Rs.2,00,000 against death and Rs.1,00,000 against permanent (partial) disability to the insured as a result of accident against an annual premium of Rs.20/- per insured.** The insured does not pay anything towards the premium for the cover which is paid by the Central as well as the State Governments concerned on 50:50 basis. Around 35 lakh fishers are covered under the Scheme covering 22 States and 4 Union Territories in the year 2011-12. More than 20,000 claims have been settled so far.

- Education and Training programmes in the states funded by the Government of India and the National Fisheries Developments Board.
- Implementation of the Centrally Sponsored Group Accident Scheme for Active Fishermen.
- Database of primary fisheries co-operatives.

Activities

- Aqua-culture Development and Pisci-culture project at Khushrangi Reservoir at Raipur in Chhattisgarh.
- Inter-state Fish marketing and Procurement Centre at Bhubaneswar (Odisha), Hyderabad (A.P.) & Guwahati (Assam).
- Local fish Retail outlet at Yusuf Sarai Community Centre at New Delhi.
- Promotion of Export of fish and fish products

Highlights of the Insurance Scheme

- Age covered under the scheme is 18 years to 70 years.
- 24 hours all types of accidents are covered including road accident, Dog bite & Snake bite cases under the Scheme.
- Family members of the insured fishers can also be included in the scheme.
- All active fisherwomen are covered under the scheme.
- Full and partial (permanent) disability due to accident are covered.
- Missing cases are entertained against furnishing a Indemnity Bond.
- Fishermen by caste or profession are also covered
- At present 35 lakh fishermen are covered under the scheme.

Status of Fisheries Cooperatives

Name of State	Number of PFCS	Number of Members
Andaman & Nicobar Islands	41	1,361
Andhra Pradesh	5,722	4,89,518
Assam	272	43,845
Bihar	62	13,824
Chhattisgarh	765	26,154
Daman & Diu	6	2,910
Goa	20	1,503
Himachal Pradesh	42	5,837
Jammu Kashmir	1	9
Jharkhand	293	38,621
Karnataka	430	2,04,689
Kerala	265	3,48,466
Madhya Pradesh	596	25,496
Manipur	240	38,437
Meghalaya	18	611
Nagaland	267	9,234
Odisha	475	91,266
Puducherry	63	54,556
Rajasthan	34	4,130

Name of State	Number of PFCS	Number of Members
Tamil Nadu	700	3,75,808
Tripura	71	14,612
Uttarakhand	13	634
Uttar Pradesh	478	30,004
West Bengal	475	92,759
Mizoram	47	1,656
Sikkim	1	150
Arunachal Pradesh	11	230
Gujarat	263	26,045
Maharashtra	2,830	2,56,697
Total	14,620	21,28,124

Salient Features

- Total coverage - 14,620 primary fisheries cooperative societies (PFCS) across 26 states and 3 union territories across India
- Andhra Pradesh has the highest number of PFCS's - 5,722
- Jammu & Kashmir and Sikkim has least number of PFCS - 1
- Andhra Pradesh has the maximum number of PFCS members - 4,89,518

Need for Risk Management

- Need of more substantial initiatives/planning for disaster management & vulnerability reduction in fisheries sector with focus on Sea Accidents.
- Need of Enhancing Life saving & rescue skills of fishers through training with focus on both Road/Sea Accidents, the two main causes of death observed.

Other Social Security Measures

- Hut insurance of fishers
- Medi-claim policy for fishers
- Pond Fish Insurance
- Fish Pond Insurance
- Fishing Requisites Insurance

Future Approach

Making efforts to venture to conduct of following programmes on project basis on a large scale in the very near future:

- Education and training programmes for fishers at state/UT levels – on going, funded by the Government of India and the National Fisheries Development Board.
- Implementation of Aquaculture Development Schemes in fishery cooperative sector.
- Enhancement of cover under the Centrally Sponsored Group Accident Insurance Scheme for Active Fishermen and additional Schemes.
- Cold chain and marketing development.
- Creation and management of data/information management through World Wide Web.
- Overseas Fishery Trade development through partnership.
- Human resource development and management.
- Project formulation, implementation and control.
- Broadbasing of activities with member fishery cooperatives.
- Online interaction/communication.
- Online information about Insurance claim settlement.

Thank You ☆ Dhanyawad

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