

Shared **Technology** for
Integrated **SACCOS** Network

20



ANNUAL
REPORT

HE
NEVER
TRAVELLED
THE
WORLD
BUT
HIS
IDEA
DID !



If credit unions are supposed to contribute essentially to social improvements, they must not confine themselves to granting loans. Their main objectives should be to control the use of money for economic improvements, and to improve the moral and physical values of people and also their will power to act by themselves.

Friedrich Wilhelm Raiffeisen
1818-1888 AD _____

Annual Report Issue 16

We are extremely elated to present the annual report 2023. This is the 16th edition of the NEFSCUN's annual report in English. The ritual of publishing English annual report started since 2008.

We present here our central business highlights throughout the year, including financial activities, environmental, social and governance undertakings and accomplishments.

It also points out how financial and non-financial services create value for our esteemed members and communities where we are rooted, supporting the sustainable development of society.

This is Our Social Business

Disclaimer

This document is published by the Nepal Federation of Savings and Credit Cooperative Unions Ltd. (NEFSCUN) as part of its obligation to the members, stakeholders and well-wishers. The opinions, statements, elaborations and interpretations are a result of collaborative endeavors facilitated and endorsed by the NEFSCUN. However, the results do not necessarily represent the views of the NEFSCUN.

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Government of Nepal
Ministry of Land Management, Cooperatives and Poverty Alleviation
Department of Cooperatives

New Baneshwor, Kathmandu
Nepal

Ref No.: 2080/81
Dispatch No.:

Message



It gives me immense pleasure to provide a message for the English Annual Report 2023 of the NEFSCUN on behalf of the Department of Cooperatives.

Cooperative sector is constitutionally recognized as one of the pillars of national economy. This sector has contributed a lot in uplifting the members economically and socially thereby helping cultivate saving habits, pooling resources and utilizing in the productive sector, finding ways towards self-sufficiency through self-employment opportunities, leadership development, reducing gender gaps, youth engagement, entrepreneurship development etc. However, in the recent years, the sector has been hit hard due to global economic turbulence, poor institutional governance, misconducts and misappropriation of public fund for personal interests.

As a central regulating agency, we are putting continuous efforts to address the problem and protect the savings of the members. In this regard, we expect help from all the concerned authorities including the cooperative movement. I am hopeful, with all our sincere and integrated efforts, we will be able to earn back the prestige and confidence of the wider communities. In this regard, the role of the NEFSCUN, as a central federation of the savings and credit cooperatives with larger member network and wider international affiliations, is very important.

I wish better luck for its future endeavor towards network management and playing its part in meeting the global goals. Thank you.

Pitambar Ghimire
Registrar



स.वि.द.नं.: २१०/०४९/०५०

NCF NATIONAL COOPERATIVE FEDERATION OF NEPAL LTD.
राष्ट्रिय सहकारी महासंघ लि. नेपाल



Message



I am absolutely elated to know that Nepal Federation of Savings and Credit Cooperative Unions Ltd. (NEFSCUN) is publishing its annual report to publicize its major activities and achievements in the year 2023. On this special occasion, I would like to congratulate NEFSCUN for its progressive achievements in the last year.

NEFSCUN, as the oldest central level federation, has been consistently performing excellence in cultivating saving habits, capital formation and mobilization for socio economic upliftment of the underprivileged communities, contributing in national wealth creation, increasing access to finance, financial literacy and inclusion, pushing forward legal and policy advocacy, and many more since its establishment. There is no doubt that the contribution of cooperative sector is highly remarkable not only for proving easy access to finance, but also for women empowerment, employment opportunities, livelihood improvement, gender equality, leadership development as well.

Most remarkably, 2023 has remained exceptional year for all the Nepalese cooperators as the cooperative movement of Nepal encountered with unprecedented situations, and its ample effects can still be felt in all sorts and levels of cooperatives. Unfortunately, cooperative sectors good deeds are just overshadowed by the news of misconducts and frauds, resulting the mistrust among people towards the whole cooperative sectors. Various factors might have contributed for the situation. But, in order to mitigate the situation, whole cooperative movement needs to get united, expand more cooperation's among cooperatives, increase trust among members and our stakeholders. Most significantly, it has been decisive to pay more attention on trust building, effective member service, service diversification in line with digitalization, self-regulation and good governance system framework.

Now, it's time to let people recognize the cooperative's identity, and disseminate cooperatives' good practices and its positive impacts on its member, community and the whole nation. Publishing such reports will definitely inject confidence among people and backing on creating enabling environment to strengthen the cooperative sector.

NCF highly appreciates NEFSCUN' s magnificent jobs, and its contribution despite the harsh situation. Moreover, NCF also anticipates more from the NEFSCUN regarding mainstreaming its members in connection to maintaining good governance, accountability and transparency in line with Coop. Vision 2030.

NCF is proud to have the NEFSCUN as a valued member and looks forward to mutually work together in advancing the cooperative movement of our country.

March 5, 2024

Om Devi Malla
Chairperson

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It dates back to 1998 when a bunch of prolific cooperators felt an urgent need to systematize the randomly opened informal micro-savings groups under an umbrella federation. Back then, the practice of thrift was in its fledgling state. Some international and a few non-government organizations had lent their hands in formalizing the conventional culture of pooling their meagre savings, but they all were pondering to give a cooperative shape to their practice. The legal provision then was not lucid enough to cater their needs. Apparently, they were in dire need of a solid support service. It was deeply realized by the cooperators who were affiliated with the same organization that carried the objective of policy strengthening of the cooperative sector.

When there is a strong desire, destiny conspires with all its might to make it happen. Same was the case then, the strong emotion of the pioneers was backed by a legal and on 16 August 1988, it was established through a decision made by 21 pioneers which obtained a legal status 14 September 1993 as the oldest cooperative federation of the nation. The saving revolution germinated from NRs 2950. During the period, it also got modifications and finally on 20 February 1997, it received the present name- Nepal Federation of Savings and Credit Cooperative Unions Ltd.

The central objective behind its existence was to build a quantitative collective strength of savings and credit cooperatives through their formalization, qualitative prowess through savings mobilization that would eventually uplift the socio-economic strata of members marginalized in almost all the aspects of personal development along with lobbying and advocacy on the pertinent issues of the industry. Since its inception, it has been working in the field of capacity enhancement, mentoring, monitoring, feeding technological assistance and running quality assurance programs to members to empowering them to provide better services to individual members and communities at large.

The pioneers were challenged at every step, and faced multiple rejections and rebukes but they were very clear in their mindset so they defended the noble and pristine thought and things started falling into their places gradually. And the rest is the history.....

OUR STORY: OUR STRENGTH

Lasting Legacy



Late Bhoj Raj Ghimire
Founding Chairperson
1988 AD - 1994 AD

“The responsibility of overseeing and supervising all the financial cooperatives of the country lies with the NEFSCUN. As the umbrella organization of the credit cooperatives, the NEFSCUN has to take the lead in systematizing the savings and credit cooperatives.”



Kailash Bhakta Pradhananga
Chairperson
1994 AD - 2007 AD



Minraj Kadel
Chairperson
2007 AD - 2013 AD



Rishi Raj Ghimire
Chairperson
2013 AD - 2016 AD



DB Basnet
Chairperson
2016 AD - 2019 AD



Paritosh Paudyal
Chairperson
2019 AD - 2023 AD

Leadership Commitment



I take this opportunity to express sincere gratitude to the member affiliates, entire SACCOS community, the cooperative movement and stakeholders for exercising their voting and voicing rights in the 32nd Annual General Meeting held on 23 and 24 December 2023. This new role for me is a good mix of emotions filled with thrill and trepidation.

I am thrilled in the sense that I have a nice combo of an experienced and energetic team in the board and diligent human resource in the management. The other emotion of apprehension is whether I would be able to meet up the challenges that lie ahead in the cooperative sphere and deliver. There is no second thought that the economic sector of the country has been hit hard. The globe has suffered. As a result, ambitious plans have been put on a hold and revised. The new board has internalized the changed context and has discussed to deliver our best amidst hardship. We are bouncing back to members, updating them about the volatile circumstances, heeding them, accepting their constructive feedback and incorporating them in our strategic direction.

Also, we are knocking the doors of the stakeholders to clear out the statutory hindrances, demand what is right for the SACCOS movement like a separate act, structural amendments in Stabilization Fund, immediacy of Credit Information Bureau, Debt Recovery Tribunal, Savings and Deposit Protection Fund, etc. I am hopeful that the rich leadership legacy of NEFSCUN will give us strength to work for the betterment of the movement. And I pledge to be relentless in this direction of a cooperative renaissance with support from all corners.

Chandra Prasad Dhakal
Chair, NEFSCUN

Leadership Commitment



The year 2023 has been a very meaningful year in the sense that it brought me back to the coveted post. I assumed the office on 18 August 2023. I am no new to the NEFSCUN and its arrays of undertakings.

On top of that, a healthy gap widened my perspective on the cooperative movement, provided ample opportunity to have a bird's eye view and reaffirmed my commitments to the industry where I have already spent a big chunk of my productive life. Honestly, it was a deliberate but welcoming move. Consequently, I am well-placed and prepared to face the challenges. The SACCOS movement shrank last year as well due to economic turbulence and some internal factors in the cooperative scene. Irrespective of these, we know we can definitely bounce back. I, as the captain of the team, have plans under my sleeve to better cope up with this financial predicament.

Strategically, NEFSCUN has a clear blueprint. Although, we are gearing up for chalking out a new roadmap, the board and the management is clear about our direction. The global goals of 2030 lie ahead and there is an urgent need to work for an integrated SACCO network. Based on the primacy of these two concerns, we have to finalize our focus.

In addition to this we have to incorporate our innovations to serve humanity at large being ethical, sustainable, resilient and robust. We have unwavering conviction that we collectively and unanimously can. For this, quality, transparency, timeliness, innovation, good governance and support will attribute to our success. I take this challenge as a fantastic opportunity. We will smarten our strategy and strengths to defend the challenges that hinder our way.

The management team is committed to working in tandem with the Board in executing the latter's decisions made in favor of the affiliates. The strength of the Board decisions must be well reciprocated in the management executions.

To sum up, I assure that under a cohesive culture, the management team of NEFSCUN will beat the brunt of the adverse situation and ultimately thrive.

Shivajee Sapkota, PhD
Chief Executive Officer, NEFSCUN

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A Diverse Congregation of Management Professionals

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Partnering for a Purpose

This is How The Voyage of SACCOS Validation Began

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1

Head Office

3.6M

Individual Members

197M US\$

Total Assets

25

Member Service Offices

186

Staffers

4718

Total Members

4649 Primary SACCOS

4 Provincial Unions

65 District Unions

13

Service Centres

76

Districts Coverage



MISSION

Ensure Inclusive and Smart Services of Financial Cooperatives to Improve the Lives of People

VISION

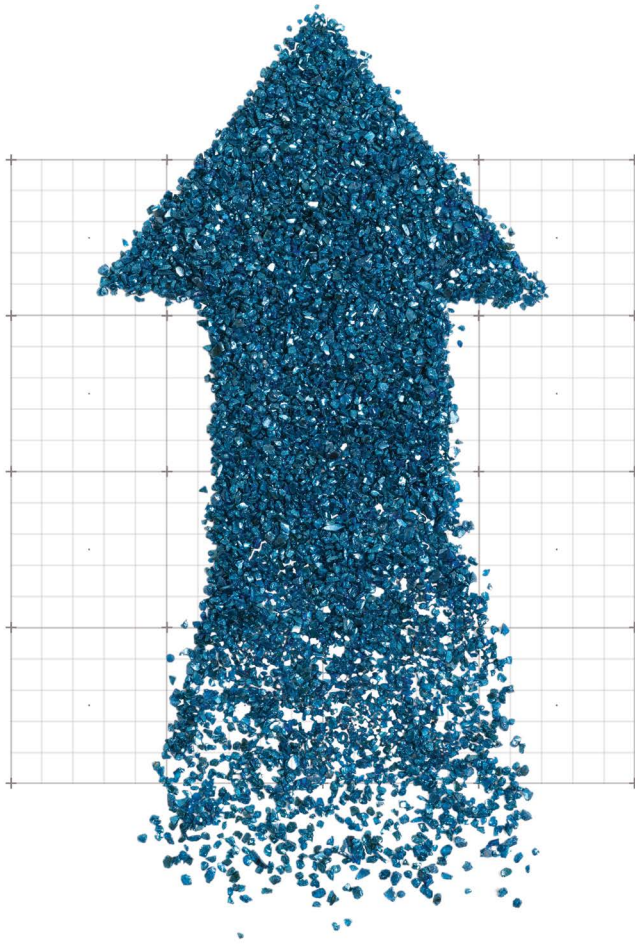
Shared Network of Sound and Sustainable Financial Cooperatives

CORE VALUES

- Commitment
- Excellence
- Inclusiveness
- Innovation
- Member First
- Mutual Harmony
- Proactiveness
- Professionalism
- Specific Identity
- Team Work (Spirit)
- Transparency

AFFILIATION





Our Blueprint for Future Proofing

NETWORK MANAGEMENT: OUR STRATEGIC DIRECTION

The purpose of the financial cooperatives worldwide is to help foster financial inclusion, promote savings, and support community development and serve members well-being. Same is the case with the federations of the primary cooperatives. However, being the guardian of the primary cooperatives and custodian of the financial credit union movement as a whole, the federation in every country has to unite, serve, mentor, advocate, lobby and better represent the member affiliates so that they cater to multi-dimensional need of their members. For, the very reason, fragmented credit union system or

automized one does not work. Integrated approach can work wonder.

That is why the NEFSCUN, is strategizing towards integrated approach or model. The integrated network management approach taken by the South Korean credit union federation NACUFOK, SICREDI in Brazil, Desjardins in Canada, have revolutionized their service delivery.

Learning from the best practiced integrated networks, ACCU, has also been asking its member federations to chart the course in the identical direction. And NEFSCUN is more than elated to walk on the same path as it will take us nearer to serving our members in the way we really want. Moreover, our Asian Federation ACCU also wants an Integrated and Sustainable Credit Union Networks.

INTEGRATED SACCOS MOVEMENT

The federation in an integrated network operates as an apex organization that unifies and supports credit unions throughout the system. This integrated system brings together credit unions under a centralized umbrella, promoting collaboration, shared resources, and collective representation. There lies multiple benefits of an integrated system. First and foremost, it strengthens our unity. The integrated structure fosters unity and collective action among credit unions. The unified voice of the federation carries significant weight in shaping the financial sector and ensuring the well-being of credit unions and their members. By pooling resources and expertise, credit unions can tackle common challenges more effectively, advocate for favourable policies, and negotiate better terms with external partners, particularly regulatory bodies.

The integrated system enables credit unions to benefit from economies of scale. Credit unions can access cost-effective technologies, shared back-office services, and enhanced risk management tools by consolidating resources. An integrated system allows credit unions to operate more efficiently, lower operational costs, and offer their members competitive financial products and services.

Likewise, the Integrated systems can establish robust risk management frameworks that help credit unions navigate potential challenges. The in-house supervision can monitor risks before causing severe damage to the system. Credit unions can collectively strengthen their resilience and mitigate risks by sharing risk assessment methodologies, developing common standards, conducting joint monitoring and supervision, ensuring the safety of members' deposits, and contributing to the cooperative sector's overall stability.

Also, an integrated system encourages the exchange of knowledge, best practices, and innovative ideas among SACCOS. This promotes continuous learning, encourages the adoption of technological advancements, and stimulates innovation within the cooperative sector. All the SACCOS, under NEFSCUN, can leverage their peers' collective wisdom and experiences to improve their operations and member services. Similarly, the integrated system allows for unified branding and

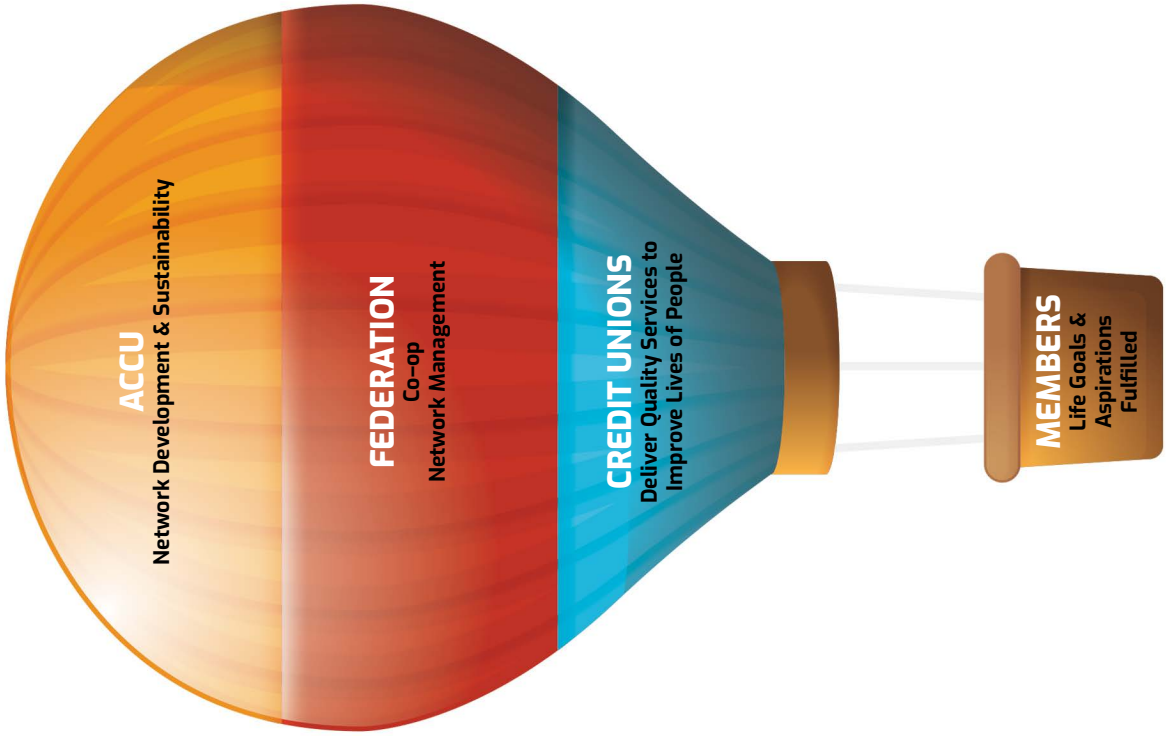
marketing efforts. All the members of SACCOS can collectively promote the benefits of cooperative membership, strengthen their market presence, and build a recognized and trusted brand. Unified marketing campaigns and coordinated outreach activities enhance the visibility of credit unions, attract new members, and reinforce the cooperative values of financial democracy and member empowerment.

As the SACCOS movement continues to evolve in Nepal, integration will gain prominence, aim to enhance collaboration, efficiency, and member benefits.

Integrated SACCOS benefit from a larger capital base, increased liquidity, and improved risk management capabilities. This stability strengthens their ability to provide loans, support entrepreneurial initiatives, and withstand economic shocks. Integrated SACCOS can access financial markets more effectively, diversify investment portfolios, and offer members competitive interest rates and terms. SACCOS Movement has the capacity to manage the liquidity of the system. They should earn the trust of SACCOS to pool the system's financial resources for the benefit of all.

It enables SACCOS to offer competitive products and services tailored to the evolving needs of its diverse membership. With professionally designed financial products carefully studied and developed by the federation, members receive the same quality of service across the network. Integrated SACCOS can provide a broader suite of savings accounts, loan products, insurance offerings, and digital banking solutions. By leveraging economies of scale, they can negotiate better rates with service providers, offer cost-effective remittance services, and invest in innovative technology platforms.

Risk diversification, increased member benefits, advocacy and influence are not to be forgotten as well. By embracing the spirit of collaboration and seizing the opportunities offered by integration, SACCOS can achieve sustainable growth, empower its members, and contribute to the socioeconomic development of the communities they serve. And, the idea behind SACCOS uniformity system is also to promote integration. Keeping all the lasting benefits in mind, NEFSCUN has put all its effort in redirecting, reorienting and re-strategizing endeavours towards network management for the common good of the SACCOS movement in Nepal.



Envisioning Integrated & Sustainable Credit Union Networks



Our Pledge

Credit unions are key actors in materializing the global goals set for 2030 by the United Nations. The 17 goals are framed towards combating major problems the planet Earth is facing. Agenda 2030 calls for a collective effort towards battling poverty, protecting the planet and ensuring global peace and prosperity. The goals are an urgent call for action by all countries - developed and developing - in a global partnership. They recognize that ending poverty and other deprivations must go hand-in-hand with strategies that improve health and education, reduce inequality, address issues threatening climate change, and spur economic growth – all while tackling climate change and working to preserve our oceans and forests.

To help achieve the goals, NEFSCUN is directing all its efforts towards eco and climate resilient, green and sustainable SACCOS movement in Nepal as per the collective commitment made at the ACCU Forum 2023 in Kathmandu.



Promoting Green Financing

Green financing, in regard to credit unions, is aimed at increasing level of financial flows to sustainable development priorities that bring both a decent rate of return and environmental benefit and deliver greater accountability.

Green financing has been promoted through loan products in agriculture sector, electric appliances and vehicles by lot of SACCOS in Nepal. A separate BDS Desk that counsels on green business and financing have been set up at various SACCOS under the BDS program to contribute to Global Goals. The lending in green sector is slightly increasing and the SACCOS have been doing so by educating members on the need of the hour. Lending to start-ups and SMEs that promotes environmentally-positive activities, such as the purchase of ecology friendly goods and services or the construction of green infrastructure is highlighted through the NEFSCUN and its member affiliates.



Kathmandu Reinforced Bangkok Declaration–2023

No. 1

DEEPEN outreach by implementing a sustainable Credit Union Microfinance Innovation Program.

2030 GOALS

- 500 Credit Unions
- 100,000 Members

ONE VOICE. ONE FAMILY

TAKE ACTION

Business Solution:
Credit Union Microfinance Innovation



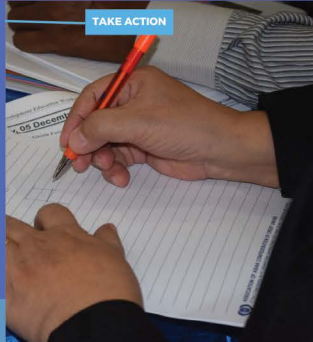
No. 2

INCLUSION of youth and women to widen financial access and promote gender equality while emphasizing the well being of the community.

- At least 30% of membership and leadership by 2030

ONE VOICE. ONE FAMILY

TAKE ACTION



No. 3

CREATE job opportunities for members by institutionalizing Business Development Services.

2030 GOALS

1. 100 CUs
2. 50,000 Members (500/CU)

ONE VOICE. ONE FAMILY

Business Solution:
Business Development Services



TAKE ACTION

No. 4

FOCUS on Holistic financial wellness for members and employees.

2030 GOALS


1. 200 CUs
2. 4,000 Employees (20/CU)

ONE VOICE. ONE FAMILY

TAKE ACTION

Business Solutions:

1. 360 Degrees Financial Literacy
2. Guide to Building Wealth
3. Financial Planning Template
4. Financial Wellness for Employees and Members (released in 2023)



No. 5

HEIGHTEN the credit union's role as members' trusted wealth creation advisor.


2030 GOALS

1. 200 CUs
2. 50,000 Members (250/CU)

ONE VOICE. ONE FAMILY

TAKE ACTION

Business Solution:
Training and tools on the basics of financial counselling the low-income members.



No. 6

EMBRACE intergenerational solidarity to sustain devotion to the cooperative values and principles.

2030 GOALS


1. 10,000 CUs
2. 100,000 Leaders (10/CU)

ONE VOICE. ONE FAMILY

TAKE ACTION

Business Solutions:

1. Transformational Leadership
2. Leadership Boot Camp - Leadershift



No. 7

STRENGTHEN credit unions through ACCESS, CULEG, and risk based supervision resulting to stable institutional capital of at least 10%.

2030 GOALS:

- CULEG
- 16 federations
- 1,000 CUs
- ACCESS
- 1,000 CUs

ONE VOICE. ONE FAMILY

TAKE ACTION

Business Solution:
Strengthening Credit Union Members' Financial Literacy



BANGKOK DECLARATION
No. 8

CONTRIBUTE to the digitalization of financial cooperatives.

2030 GOALS


1. 15,000 CUs (50%)
2. 20 million members (1/3)

ACCU-checklist for country specific assessment of 3rd party provider

ONE VOICE. ONE FAMILY

TAKE ACTION

Digitization helps credit unions stay competitive in a rapidly changing financial landscape and meet the evolving needs and expectations of their members.



No. 9 - Climate Action

FOSTER an innovation-supportive climate stewardship culture.

2030 GOALS


- 10% CUs in Asia

ONE VOICE. ONE FAMILY

TAKE ACTION

Business Solutions:

1. Guide to Credit Unions on Climate Action
2. Assessment for Green Credit Union/Cooperative



No. 10

DEVELOP integration strategies for harness the power of our numbers and impacts.

2030 GOALS

- 10 Federations are integrated

ONE VOICE. ONE FAMILY

TAKE ACTION





Going Together is Growing Together

***'It is the cooperation
that takes us
further not the
stiff competition.
The essence of
cooperativism lies in
trust, cooperation,
mutuality and
togetherness.'***

The partnership program initiated by the NEFSCUN with the province and district union is the quintessential of cooperative spirit. It underpins the federation's responsibility of empowering them.

Cooperatives are a force for sustainable and inclusive development and the partnership program, running since 2019, is a way of proving it. The program has the purpose of strengthening network management. The objectives behind are empowering, educating, training and facilitation the unions that will eventually help the primary cooperatives in the identical areas and manner.





It solidifies the unions from all aspects and helps maintain uniformity in operational standards and conduct collaborative training and education program, supply services, technological sharing, quality assurance programs, etc. BoD and management capacity building, office outlets and display of products and service designs are the priority areas of the joint initiative.

The move that kicked off taking a formal consent of 15 district unions was not only about milking business but about developing capable leadership and crafted management officials, sharing and swapping best cooperative practices, learning new skills, widening the financial access of marginalized communities and contributing to the good of credit cooperatives in the country through exemplary deed. NEFSCUN is committed to expanding the horizon of network strength among unions.

Partnership rogram at resent

PU: 2

DU: 25

Commencement: 2019 AD

Initiated with: 15 DU

A Clarion Call

The public pulse towards the immediacy of a separate statutory provision for regulating financial cooperatives has been mounting. NEFSCUN has been lobbying and advocating for a separate Financial Cooperative Act since 2009 citing that the Cooperative Act alone cannot monitor financial cooperatives that are distinct. Numerous programs and discussions have taken place since then and every time the new government takes the office, the federation has been knocking its door for the very purpose.

In the present context when fingers have been raised regarding the derailment of the financial cooperatives and movement and regulators both have been put a blame for collective inefficiency in preventing governance issues, misappropriation and embezzlement of members' savings and deposits in financial cooperatives, the need for a separate act that will help address such issues, once again becomes cynosure.

Of lately, the Minister and the secretary at the Ministry of Land Management, Cooperatives and Poverty Alleviation, Registrar at the Department of Cooperatives, and others, seem very positive of the NEFSCUN's persistent endeavor regarding the separate legal provision are ready to help facilitate the process if they are made convinced in the changed context.

NEFSCUN is preparing the revision of the draft and is planning to submit it soon after consultation with the leadership of the province and district union along with the other stakeholders. The apex body is hopeful of receiving support from the lawmakers when it will be tabled in the Parliament. Meanwhile, NEFSCUN and the USAID-Trade and Competitiveness held elaborate discussions to pave the way towards bringing into fruition the eagerly-awaited financial cooperative act believed to streamline, systematize and discipline the savings and credit cooperatives.





Stabilizing Financial Fluctuations

to Protect the Image of SACCOS

The Stabilization Fund to the financial cooperatives, to put it simply, is a reserve fund created with the contributions of the SACCOS, which will be utilized to meet any unforeseeable future risks and challenges. It works as a stabilizer when there are financial fluctuations.

There are chances of financial anomalies from unprecedented situations that are beyond control like natural catastrophe, agitations of greater scale, recession and others that can potentially harm financial health of organization. Therefore, to protect members' savings and deposits from the danger of burnouts during financial surges, it is important to provide them with adequate support which is when the role of stabilization fund comes handy. This fund is a shield or safety net for the financial cooperative movement.

If there are some financial mishaps, the stabilization fund set up with the compulsory monetary contribution of member organizations will help regain the momentum. That is why NEFSCUN has crusaded the campaign in favour of standardization and stabilization terming them as the two formidable forces to further SACCOS movement in Nepal.

Cooperatively run financial cooperatives are stewards of the hard-earned money of their members. Their foundation is trust. The Stabilization Fund ensures the very trust and works as a solidarity fund.

Stabilization Fund is set up as a separate fund that can be used wisely to help, rescue and revive any contributory organization in case of financial upheavals. It genuinely works as a business stabilization fund during crisis. Its' primary objective is safeguarding the credit union movement.

Statutory Provision:

Cooperative Act 2017 and
Cooperative Regulation 2018

Stabilization Fund Procedure Issued:

November 21, 2019

National Conference of Stabilization Fund:

February 10, 2020

Stabilization Fund Established:

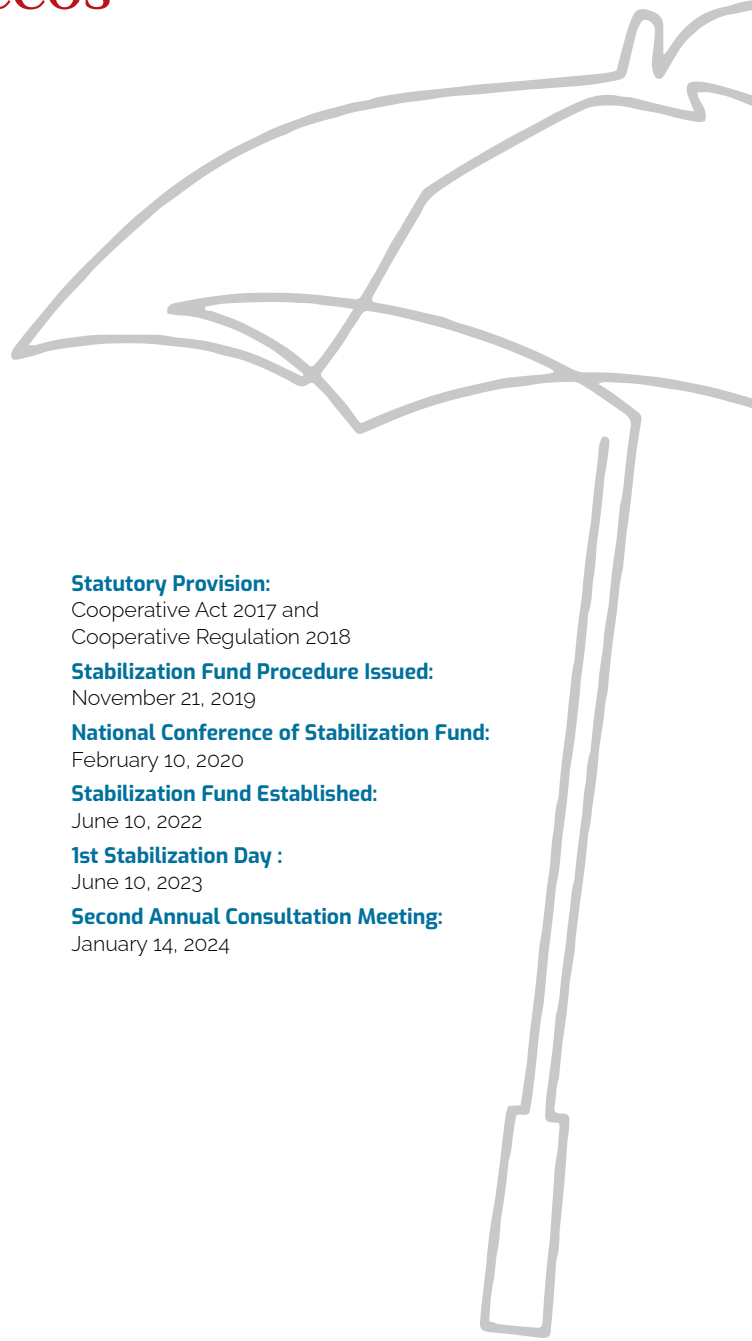
June 10, 2022

1st Stabilization Day :

June 10, 2023

Second Annual Consultation Meeting:

January 14, 2024



Upskilling for Upscaling

When the **student** is ready, the teacher will **appear**.
When the student is truly ready, the **teacher** will be **disappear**.

The pursuit of professional growth, in the dynamic credit union industry landscape, is not only beneficial but immensely essential. Credit Union professionals at all levels- from frontline staff to senior management and board, sub committees and most importantly members as well as would-be-members- are uniquely positioned to shape their career paths proactively.

That is why, NEFSCUN takes pride in its structured approach to building comprehensive leadership and professional development training modules and strategic plans that cater to aspirations and the evolving needs of all under its umbrella.

To be very honest, in the context of the Nepali credit union industry at present, "reskilling" has become increasingly crucial to build teams and provide the best experience for member affiliates and from them to their individual part-owners.

NEFSCUN, assess if there's a new area that its affiliates are passionate about or a skill set that needs updating. This convergence of passion, existing skills, and identified gaps will chart the course for their development journey.



With a clear understanding of what is needed to develop, the separate department at the federation forms an action plan and explores various avenues for learning and development. NEFSCUN has in-house training programs, cross-training opportunities, online courses, or external workshops, conferences, seminars, summits and various other learning and sharing platforms such as tutoring, mentoring and gaps filling that forms one of its primary objectives.

NEFSCUN is convinced that its training programs underscore the importance of staying abreast of industry developments and incorporating them into the members' development plan. Professional development in the credit union industry requires a tailored approach that aligns individual aspirations with organizational goals and industry trends. Having a professional development plan to reflect that is a key to success in the industry for which there are 'you-name-it-and-we-have' training programs.

At this critical juncture, training remains the best remedy to get the members' confidence back and

that is why NEFSCUN has directed all its members to bounce back to members via training and education and has also highlighted in its strategic framework.

There are ample training modules to meet the growing needs of the members ranging from beginners, intermediate, mid to advanced ones. The long-term objective of the training department is to build a rich HR bank with crafted human resources to be fed to the industry needs.



438

trainings conducted

14,056

participants trained

20

international training programs

165

participants

CTEVT CERTIFIED COURSE

Cooperative Managers' Course (600 hours)

Batch	Year	Participants	Graduates
1st	2020	20	15
2nd	2021	20	12
3rd	2022	20	8
4th	2022	17	12
5th	2023	10	ongoing

Savings and Credit Mobilization Course (40 hours)

Batch	Year	Participants	Graduates
1st	2021	12	11
2nd	2022	10	10

Contemplating to provide a learning platform for the management professionals of Nepali SACCOS, NEFSCUN created a virtual platform called CREDIT UNION e-Learning Series-CUMELS from 2023 November. The program is usually held on the 1st of every English month where the who's who of the leading international credit union movement present best practices.

iversity of learning, NEFSCUN has been focusing towards equipping members with updated learning opportunities. It is a fountain of knowledge. Learning is the first step towards success. For SACCO management professionals to excel in their daunting task, they need continuous learning. They have to keep themselves abreast of the latest trends, techniques and technologies if they are to stand out. CUMELS is an addition to this objective.

embers matter the most. As a central federation, NEFSCUN came up with a plan to better prepare the managers of the SACCOS with knowledge afresh from the professionals outside the national border. It is a start afresh.

Recipe of Success:

Learning & Sharing



Miss Elenita V. San Roque
 Chief Executive Officer
 Association of Asian Confederation of
 Credit Unions (ACCU)



Ms. Sylvia Okinlay-Paraguya
 Chief Executive Officer
 National Confederation of Cooperatives
 (NATCCO), Philippines



Mr. Ranjith Hettiarachchi
 Chief of Technical Officer
 Association of Asian Confederation of
 Credit Unions (ACCU)



Shivajee Sapkota, PhD
 Chief Executive Officer
 Nepal Federation of Savings & Credit
 Cooperative Unions Ltd. (NEFSCUN)



Mr. Mark Worthington
 Chief Executive Officer
 Australian Mutual Bank Ltd.

Effective knowledge sharing is possible when the best of the best minds mingle. The SACCOS professionals from Nepal could use the CUMELS platform that has less formality and more engaging deliberations on key issues of the movement.

Learning is evolving. Learning is growing. The CUMELS program is more about growing and readying the managers to face the challenges in the boldest fashion. Learning happens via presentation followed by Q&A session. The e-learning series has made the job of the management easy.

Strength of the SACCO movement multiplies when hurdles and impediments are sorted out with technical deliberations. The CUMELS is a virtual platform to reach out to a common consensus regarding all blockades and better serve the unserved.

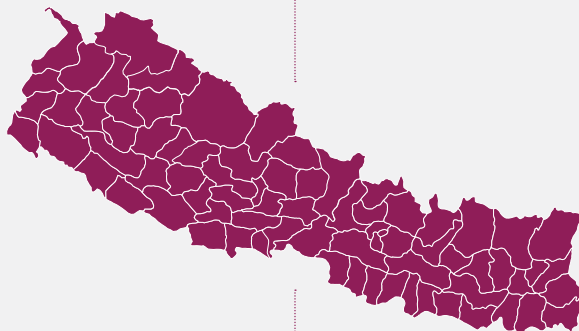
COOP in Nepal



Total Cooperatives
31,373



Total Membership
7,381,218



Total Direct Employment
93,771

Total Savings & Deposit
3.60B USD



Total Loan Investment
3.21B USD

Total Share Capital
709M USD



Do not linger to **gather** flowers to keep them, but walk on, for flowers will keep themselves **blooming** all your way.

Photo Credit: Bidur Khadka/NEFSCUN

1988

NEFSCUN Founded

1990

Cooperation with CCA

1993

Stationery Supplies
to Member SACCOS
Started

1994

Capacity Building
aided by the Canadian
Cooperative Association

1995

First Strategic Plan
Formulated

1996

Central Financing
Facility & Interlending
Started

1998

INDECUA Project
Started, PEARLS
Implemented

1998

Regular Membership
of ACCU Obtained

2004

Collaboration with
CICTAB

2005

Mutual Exposure
Program with CCULB
Commenced

2006

Digitalization in
Cooperatives

2006

ACCESS Branding
Program Adopted

2007

INDESACCOS
Program Launched

2007

Standardization
Program Initiated

2008

7 SACCOS enrolled in
ACCESS Branding
Program

2008

CUDCC initiated



**Major Milestones
While Serving
Members**

<p>2011 PROMISE Project launched</p>	<p>2012 First SACCOS Summit PROBATION Program Launched</p>	<p>2013 NEFSCUN- SACCOS Managers' Club Formed</p>	<p>2014 SACCOS Integration Strategy Adopted</p>
<p>2014 Risk Based Supervision Initiated</p>	<p>2016 First National CEO Workshop</p>	<p>2017 First Account Supervisory Committee National Workshop</p>	<p>2018 Direct Membership of WOCCU</p>
<p>2018 Rishi Raj Ghimire became Chair of ACCU</p>	<p>2019 Stabilization Fund Initiated</p>	<p>2020 CTEVT Certified Courses Started</p>	<p>2020 FOUNDATION Program Launched</p>
<p>2020 www.saccosaawaj.coop.np launched</p>	<p>2022 Unified Self-Regulatory Directives</p>	<p>2023 ICA Full Membership</p>	<p>2023 WOCCU CEO Visited Nepali Credit Unions</p>

The woods are lovely, dark and **deep**, But I have
promises to **keep**, And miles to go before I sleep,
And miles to go before I **sleep**.

Robert Frost

Digitalization Drive via



NEFSCUN has been working relentlessly to provide a one stop solution to members that will be a much anticipated and eagerly awaited addition to help achieve the goal of shared and integrated SACCOS movement via network digitalization.

Regarding digitalization of the SACCOS movement, there is no second thought. And the NEFSCUN being, the central federation is keen on providing solution that matches the growing expectations of the varied members. So, providing an integrated IT system called Enterprise Resource Planning (ERP) for member SACCOS is what we are working towards via MYRA

MYRS EPR is a central system that integrates a to z activities of an organization via computer technology. Reputed firms and mega organizations round the globe are using the ERP software for convenience and credibility. Brazil's SICREDI, Canada's DESJARDINS, South Korea's NACUFOK, Ireland's Irish League of Credit Unions are using this integrated model-ERP. As the central federation of credit cooperatives in Nepal, NEFSCUN has taken the responsibility of introducing ERP. In this regard, an extensive research was carried out and the company which was selected to work on it, has left no stone unturned to finish it in the earliest time possible. Members and the potential members of the NEFSCUN are eagerly awaiting its completion and commencement as it would revolutionize the cooperative sector of the nation that is in the verge of losing its competitiveness due to technological inefficacy.

MYRA is a pure multi-tenant SaaS based enterprise resource planning (ERP), developed using the cutting-edge technology with robust, secure, yet flexible architecture and high availability (HA)

server infrastructure. The ERP not only addresses the current issues but also is future looking. Apart from the regular process some of the salient feature MYRA has been: Quick Onboard: As simple as creating a new email ID, Value Based Pricing: Package starts as low as \$120 per year for full featured core banking , No initial instalment cost (start with zero capex), Pay only for what you use: (Select only those modules that you use), Auto profit (surplus) distribution to different funds, PEARLS ratio analysis reports, Budget management module, Inter branch transaction with interest calculations, Seamless ABBS, Automated and customizable Day End , Multi-branch trial Balance on single click (individual and all combined), Trial balance to GL access simplified , Standard COA (as recommended by Cooperatives department) , Easy inter-branch fund transfer, Cash-in-transit tracking, Teller-Vault management, Loan Aging Report, TTR, STR, COPOMIS report generation, Save your report within the System, No extra hardware/server cost, Share Certificate Generation and printing, New features every month (with no extra cost), Free backup, Round the clock support mechanism: call center and ticket-based support tracking system, etc.

The various modules in the second phase are under development and our research and innovation team is already working to identify the future modules needed. We are committed to the world class software development and rich user experience in the ERP. We follow zero tolerance to breach in privacy and security of the data (already closer to ISO certification). We keep our ears and eyes open to listen to your voice and to see what's trending in the technology and market. With us, you will partner with a one window solution to all the technological needs of you cooperative.

WOCCU Ready to Support Credit Union Movement of Nepal



The WOCCU has expressed a strong commitment to supporting the Nepali SACCOS movement through partnership collaboration in multiple areas. The WOCCU CEO Elissa McCarter La Borde who had taken stock of the issues and challenges faced by the Nepali SACCOS movement visiting Nepal in September 2023, has asked the NEFSCUN to figure out key priority sectors such as digitization, women cooperative support, MSMEs, resilience, and other development focused opportunities. Most importantly, the WOCCU has also taken seriously the matter of expediting the process of drafting Credit Union Act and amendment in the Stabilization Fund procedure. This is the first time the WOCCU has come up with a special concern for the issues prevalent in the Nepali SACCOS movement.

Broadening the Horizon



With the aim of developing educational cooperation on the basis of equality, reciprocity and mutual benefit and to promote relations and mutual understanding between NEFSCUN and the University of Widyatama, Indonesia, both the parties signed a Memorandum of Understanding (MoU) on 5th November 2023.

The mutual agreed document opens up door for collaborations in wider areas of knowledge, education, mutual exchanges, research and development, etc.

Based on the principles of mutual benefits, the collaborative activities will include human resource development, research collaboration in the field of mutual interests, exchange and sharing of academic or industrial material and information, and any other academical activities of mutual benefits.

This is the first time that the NEFSCUN has this kind of collaborative agreement in papers with a foreign university of such repute.





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1 Head Office

25 Member Service Offices

13 Service Centres



A Club for Cooperativism

NEFSCUN-SACCOS Managers' Club is a think-tank under the umbrella of NEFSCUN that serves as a resource centre for SACCOS management professionals seeking to improve their leadership skills, enhance knowledge of industry trends, and network with peers. Set up in 2013, it is comprised of management heads of its member SACCOS that are awarded best in the business by the federation, based on performance indicators mentioned in the club's procedure.

It has the noble aim of providing professional development opportunities to the salaried human resource of the financial cooperatives on wider issues of

institutional growth and development of SACCOS

It provides abundant benefits to its members to brush up their personal and professional skills, knowledge and capability through educational and training programs. It also provides feedback in advocacy efforts of the NEFSCUN from management perspective. It is also a very good platform of networking and collaboration. The club, basically is a knowledge-sharing forum. It broadens the recognition of its members as well. Ultimately, it supports the growth and development of the SACCOS movement by polishing its professionals.



Shivajee Sapkota, PhD
Patron



Krishna Kumar Shrestha
Coordinator



KB Lama Syangtang
Member



Jhalendra Dahal
Member



Chandralaxmi Khadgi
Member



Krishna Kumari Adhikari
Member



Rabindra Rana
Member



Gopal Dahal
Member



Prem Sagar Adhikari
Member



Tikaram Timalsina
Member



Shanta Rai
Member



Nayan Singh Thagunna
Member

NEFSCUN SACCOS Managers' Club
Central Committee Members

A Diverse Congregation of Management Professionals

The SACCOS CEOs' National Workshop has remained as a flagship event of the NEFSCUN since long. The sole apex body of financial cooperatives in Nepal has been organizing the triennial event so as to provide platform for the management leaders from across country to learn the best national and international practices and internalize them with the purpose of professional and personal growth and development. Last year NEFSCUN successfully organized its 4th edition on 8 and 9 March in the federal capital. The two-day congregation of SACCOS professionals issued an 11- point declaration towards streamlining and safeguarding the savings and credit cooperative movement in the country. The assembly of the SACCOS technocrats saw participation from nearly 450 management professionals from across all the 7 provinces and around 50 districts. It also saw



Technology Based Services and Governance:
Responsible Management for Sustainable SACCOS & Image Building

SACCOS CEOs'
NATIONAL WORKSHOP 2023
March 8 & 9
Kathmandu, Nepal

insightful and awakening presentations from experts on various relevant topics and welcoming comments and value-addition from distinguished personalities. Speaker of the House of Representatives Dev Raj Ghimire inaugurated the workshop. Various insightful papers from Association of Asian Confederation of Credit Unions' CEO Elenita V San Roque, Chief of Technical Officer in Management Ranjit Hitterattachi, and others were presented.

The CEOs expressed solidarity towards effort of statutory requirement of financial cooperative act and voiced commitment towards digitization, good governance and image building of the SACCOS movement.

Cooperation beyond the Border

Cooperative Affiliates (PCA). The Assembly comprised the Cooperative Forum, Regional Board Meeting, various events organized by the regional sectoral and thematic committees, and the statutory meeting of the Regional Assembly. The overarching theme this year was "Cooperatives: Our Common Agenda."

More than 250 international delegates from 21 nations and around 285 delegates from the Philippines attended the Regional Assembly. NEFSCUN even chaired an ICA-AP thematic and sectoral committee.

The Credit and Banking Committee held their meeting where members presented their country reports on financial cooperatives. It also organized a Regional Conference on the



NEFSCUN has deliberately explored and extended its meaningful international presence amidst the toughest of times. The reason is flagrant-Learn from the best foreign practices, intermingle with the best of the best industry minds and clear the clouds of uncertainty regarding any sort of self-doubts or complacency.

NEFSCUN participated in the 16th ICA-AP Regional Assembly, held from 6-10 November 2023, in Manila, Philippines. The NATCCO Philippines hosted the Regional Assembly after two decades under the aegis of the Philippines



Credit and Banking Cooperatives to look at the synergies between the Financial Cooperatives and Sustainable Development Goals (SDGs) as well as the regulatory challenges faced by financial cooperatives in Asia and the Pacific. NEFSCUN's management chief shared his insights into the matter. ICA-AP also organized the Cooperative Trade Fair led by the Trade and Business Committee and the Federation of People's Sustainable Development Cooperative.

On 8 November, the joint opening ceremony of the 16th ICA-AP Regional Assembly and 11th Asia Pacific Cooperative Forum was held. It began

with a vibrant Parade of Colors representing the 22 countries attending the Assembly. Mr. Ariel Guarco, the ICA President graced the event as the Chief Guest.

The meeting enlisted eight key areas of action for cooperatives to build their common agenda, which are—Policy formulation, Inclusion, Networking, Alliance building, Democratic governance, Strategic vision, Advocacy, and Knowledge sharing. It was announced during the Forum that the year 2025 will be declared as the International Year of Cooperatives by the United Nations.

An event on Implementation of Quality Assurance & Branding in Savings & Credit Cooperatives at SANASA CAMPUS, Sri Lanka, was organized on February 5th to February 8th, 2024 – Kegalle, Sri Lanka . Credit Union branding and matters of risks were discussed among the participants.

NEFSCUN's CEO shared his expertise on risk mitigation measures in credit cooperatives, quality assurance program and branding and its relevance. It was participated by the member countries of CICTAB, India. He highlighted the plus points of branding program and its positive consequences in the Nepalese credit union domain. He also quenched the thirst of the participants regarding quality assurance and risk supervisions and mitigating measures.

SACCOS Branding to Extend in South Asia



Partnering for a Purpose

Letter of Intent Signed:
Duration 2023-2027

NEFSCUN inked a partnership program with the German Sparkassenstiftung for International Cooperation (DSIK) aimed at enabling members of the former's affiliates to help access financial services and create opportunities that will eventually allow them to leave poverty behind.

This is the first time NEFSCUN has such a mutual agreement from the country that boasts of giving birth to FW Raiffeisen, the father of credit union movement and with the organization that's purpose is to help developing countries and emerging economies to access financial services via partner institutions.

DSIK is the development-policy arm of the Sparkassen Finance Group tasked to disseminate the successful Sparkasse model across regional borders and around the globe, based on the philosophy of think globally, act locally and cooperate internationally.

The Sparkassen set up in Germany over 200 years ago as microfinance institutions for low-income earners, have grown into one of the largest financial groups in the world-one that successfully combines outstanding professionalism with a strong social mandate.

The partnership program is intended to help NEFSCUN's ultimate individual members become more prosperous and establish stable economic structures of their own.

DSIK will assist primary SACCOS to manage their businesses in keeping with commercial principles while fulfilling their social responsibilities via training and technical backstopping.

German Sparkassenstiftung provides proactive support to financial institutions that sustainably foster economic and social development at the local, regional or national level through needs-oriented banking services. DSIK's goal is to assist its partner institution NEFSCUN to become more professional and therefore able to give our members permanent access to financial services. The main target groups are small and medium-sized enterprises (SME), as well as poor and socially marginalized groups. This orientation to SMEs and low-income earners actually benefits NEFSCUN too, because delivering services to these member segments secures ongoing stable and satisfactory returns.





A successful **team** is a group of many hands and one mind.

Bill Bethel

A Transformative Education



NEFSCUN has been participating in the Development Educator (DE) Program run by the ACCU since long. DE is a dynamic program that gives a wider perspective on the issues of cooperatives, credit union, member centricity, its philosophy, financial stability and wellness of members, employees, etc. It is a vibrant and lively program delivered through individual engagement, group work, classroom learning and immersive experiences. Through transformative education, immersive events and collaboration, DE builds awareness of the development issues that prevent people from achieving financial freedom and how credit unions are uniquely positioned to address them. This year too, NEFSCUN's Assistant Executive Officer Ganesh Prasad Timalsina has participated in the highly recognized program of the ACCU.

Oh! It's *Khub Bhalo*

As part of the mutual exchange program initiated since 2005 between the NEFSCUN and the Cooperative Credit Union League of Bangladesh (CCULB), a team of credit union professionals from Bangladesh visited Nepal last year.

The 14-member team comprised a government official (Deputy Registrar), the directors and staffers from the apex body, CCULB and leaders of primary credit cooperatives. Both the apex bodies share cordial relation, and the visit further cemented the bond of camaraderie established more than 2 decades ago. This was the 27th mutual exposure visits in the series.

During the stay in this naturally and culturally graced land, the team visited various Savings and Credit Cooperatives of Dolakha, Ramechhap, Kavrepalanchok and Kathmandu along with the NEFSCUN and the Department of Cooperatives. It not only took stock of the cooperative development of Nepal, its current situation, challenges and future plans but also briefed us on theirs.

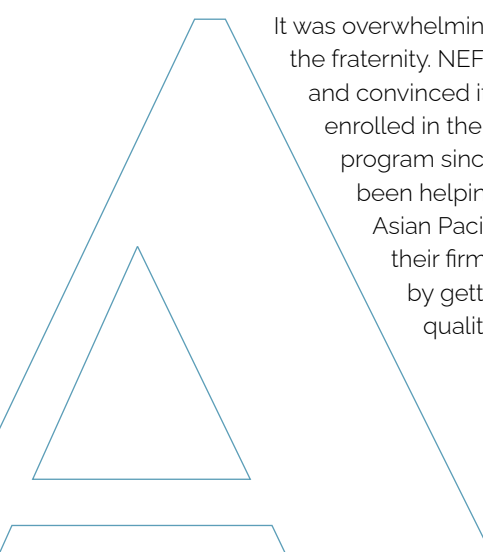


This is How the Voyage of SACCOS Validation Began

The fundamental principle of financial cooperatives worldwide is that they care members rather than numbers. When members are better served and their wills and aspirations are truly reflected in products and services, numbers do grow.

For the very purpose, defining the strength and capability of its member affiliates to serve their members was key and instrumental. So, the Association of Asian Confederation of Credit Unions (ACCU), conceptualized and developed yardstick of measuring their financial and other strengths.

The standardization plan of the financial cooperatives under a framework with strong indicators was devised and the result came in the form of A1 Competitive Choice for Excellence in Service and Soundness (ACCESS).



It was overwhelmingly welcomed from the fraternity. NEFSCUN participated and convinced its members to get enrolled in the benchmarking program since 2008. ACCU has been helping credit unions across Asian Pacific region to establish their firm image in the market by getting accredited of quality assurance.

Once enrolled in the program after meeting the criteria, regular monitoring, supervision, follow-up, and feedback are provided by NEFSCUN for institutional growth.

ACCESS has adopted the four perspectives of the Balanced Scorecard: Finance, Member-Customer, Internal Business Processes, and Learning and Growth and are measured with 86 stringent indicators. Launched in 2005, ACCU began accrediting credit unions in 2010.

In 2023, Chandeshwori SACCOS, Kavre and Janautthan SACCOS, Rupandehi, from Nepal were accredited the ACCESS Silver brand.

Current Status

*79 SACCOS Enrolled
2 Accredited*



Quality Assurance through PROBATION

The year was 2012, NEFSCUN, by then was well equipped to develop a recognizable, indelible brand strategy that successfully positions its member credit union institution to thrive today and tomorrow. It was determined that its creative solutions help boost members' brand by implementing domestic branding strategies that would build a stronger identity and ensure that the accredited SACCOS stand out among other financial institutions in its local market.

The confidence was garnered from the surge in the excitement level with the commencement of the Asian standard SACCOS quality accreditation or branding program. Despite some SACCOS snubbing some of the financial indicators terming them irrelevant and near-impossible for implementation in our context, later were convinced that the provisions were scientific and much needed. The indicators of the Asia standard program, to majority of the SACCOS, were uphill tasks to achieve. Hence, a need for a different sort of quality assurance program developed in own backyard was utterly felt. And the Program for Building Absolute and Professionalization (PROBATION) was conceived. The birth took place in 2012 giving a go-ahead

green signal by the 21st Annual General Meeting. Moreover, the icing on the cake was that the government regulatory authority of cooperatives-The Department of Cooperatives, under the Ministry of Land Management, Cooperatives and Poverty Alleviation, gave a nod to the standardization program. The joint validation had a brief pause but it resumed with the cloud of misunderstanding cleared from 2023. It oversees financial soundness and prudence, member service, institutional development and others in 50 indicators applying PEARLS-HIMAL tools to ensure systematic and prompt quality service through a comprehensive manual jointly finalized by NEFSCUN and the Department of Cooperatives.

PROBATION is the first homegrown quality assurance program designed by the NEFSCUN and its manual is revised annually.

Current Status
248 SACCOS Enrolled
4 Accredited



Risk Supervision is Eventually SACCOS Supervision

Risk has multitudinous dimension in a financial cooperative. If majority of the risk factors are scrutinized then operational efficiency does not become a distant dream. That is why risk supervision is eventually SACCOS supervision.

NEFSCUN, as the principal body of financial cooperatives, has been relentlessly working to help risk prevention and mitigation through strategical preparedness programs aimed at its member affiliates. Credit Union Risk Based Supervision (CURBS) is such a tool developed by the NEFSCUN to measuring the multiple risks of financial cooperatives. It was executed from 2014 AD with the participation of 17 members.

Financial cooperatives are vulnerable and are exposed to various risks due to their nature of handling cash. Risks vary from credit risks, liquidity risk, interest rate risk, administrative risks, managerial risks, technological risks to operational risks and such. It is absolutely mandatory for them to operate on certain standards to earn the faith and credibility of members, employees, community and stakeholders. In the Nepalese context it is even more important that all the financial cooperatives operate on minimum agreed upon standards as an instance of deviation from financial prudence can invite unwanted and unexpected mishaps. So, it is important to stick to uniform practice that is a good mix of regular supervision, education and training, onsite inspection and off-site supervision and timely feedbacks. CURBS is the solution to this.

CURBS comprises 75 indicators based among which 25 are related to PEARLS (a financial monitoring tool designed by WOCCU and implemented in most of the financial cooperatives in Nepal upon the recommendation of the line ministry and department) and other covers various risk related managerial aspects. CURBS has been gaining popularity especially among SACCOS that are small in transaction, coverage and membership.

Current Status
400 SACCOS Enrolled

Together with Local Government



Launched at the 33rd anniversary of NEFSCUN, the program called FOUNDATION (ADHARSHILA) is primarily aimed at upping the prowess of organizational efficiency all subject cooperatives. As the name suggests, it is about building the strong foundation of cooperatives especially in the nook and corner of the country that are seeking guidance in desperation. In fact, with this program, NEFSCUN ventured into something that was out of its comfort zone.

The youngest program of the federation came into immediate effect from 17 August 2020. FOUNDATION has the elaboration of Foundation of Credit Union for Development and Promotion. The program encapsulates the noble and broader objective of mainstreaming primary cooperatives that remain far from regulation and monitoring eyes.

The program of cooperative and collaborative nature carries the objective of sustainable financial cooperatives via entrepreneurship development, enrichment of financial access and strengthening network

Business growth always depends on infrastructure of rules and policies.

management, promoting good governance and building professionalization.

The program is run on cost sharing model with the local government and is currently being run in 26 local bodies. In coordination with the local governments, the program is working to educate, empower and equip cooperatives with tools and techniques to run in a smooth manner. The strategic alliance will work into the rural bases where cooperatives are unarmed with pre-requisites in terms of running an organization. The technical assistance of NEFSCUN comes handy in offering them skills, knowledge and training along with model plans, policies and procedures that will assist in systematizing their operations in better serving the community where they operate.

The technocrats from NEFSCUN will share knowledge, operating principles, management procedures, legal and statutory framework, regulatory and compliance obligations and education and training opportunities. It also strategizes plans to serve the purpose of capacity enhancement, offer self-regulation service through governance check indicators and render business development services.

The local bodies that have implemented the program have commended the initiatives of the NEFSCUN.



36th

Establishment Day

NEFSCUN marked its 36th Anniversary (NEFSCUN Day) celebration nationwide on August 17, 2023. The central celebration in Kathmandu was graced by the various dignitaries from the government and the fraternity.

NEFSCUN continued the same theme that was made public on the 35th Establishment Day 'Shared Technology for Integrated SACCOS Network.' NEFSCUN declared the award recipients, including SACCOS and SACCOS personnel, in almost dozen categories for the fiscal year 2079/80 that have made considerable contribution in the cooperative and credit union movement. The speakers at the occasion reiterated the need of movement-government cooperation to establish the role of cooperatives in poverty alleviation in a true sense.

*'Shared
Technology
for
Integrated
SACCOS
Network'*





When we **compliment** each other,
we don't need to **compete** with each other.

32nd

ANNUAL GENERAL MEETING

Speakers were all praises of NEFSCUN for successfully organizing the annual general meeting and passing on the baton. They expressed support and solidarity in its diverse activities. Their main concern was good governance, transparency and member centric activities in the cooperative sector.

NEFSCUN Elects New Board, Inducts the Directors

The 32nd Annual General Meeting of the NEFSCUN elected a new Board of Directors under the Chairmanship of Chandra Prasad Dhakal and Account Supervisory Committee under the convenorship of Indra Raj Jyoti Poudel on 24 December 2023. The new board was formally inducted and assumed office on 25 December 2023.

It was quite a contest. The members exercised their both the strong rights-voicing their concern at the financial as well as other affairs of the federation and voting for the right candidate who they thought could better represent them.

The AGM was held for the purpose of reviewing the past year's performance and accomplishments as well as addressing specific areas of the business of the federation, such as approving financial statements,



appointing external auditors, approving Special Resolutions or By-law changes (as applicable), and filling board vacancies. The AGM, in general, is an opportunity to hear reports

from the Board and CEO and to learn first-hand how the central federation supports the financial well-being of its members and our wider community.

Celebrating the Sanctity of the Sector

The 2nd KATHMANDU SACCOS SUMMIT 2022, with the theme "Embrace and Promote the Uniqueness of Cooperatives" was successfully concluded on 25 January 2024 in Kathmandu issuing a nine-point joint commitment on behalf of the all the affiliates of the Kathmandu District Savings and Credit Cooperative Union (KASCCUN).

maintaining good governance, coordinating with concerned stakeholders, maintaining accountability and transparency, prioritizing member centricity, abiding by the cooperative values and principles and regulatory provisions, strengthening the sector through possible mergers, and committing to bolstering network management.



The event, organized with the technical guidance from NEFSCUN and supported by the member SACCOS of the KASCCUN, aimed at providing the best platform not only to deep discuss the issues impeding the smooth functioning of the cooperative movement but also to chalk out roadmaps for clearing out the hurdles with collective endeavors.

And, the organizer KASCCUN was more than happy to share that the summit turned out to be a great success as it was successful to forging a consensus among the nearly 300 participants on issues of cautiously exercising autonomy and self-regulation, putting in place risk mitigating measures,

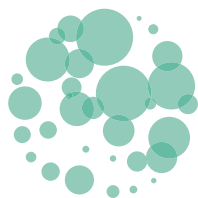
The summit saw good attendance, worthy presentations and interactive participants. The summit provided an opportunity for cooperative stakeholders to disseminate knowledge, celebrate successes, and identify next step towards reaching the goal of taking the sector to the next level by successfully passing the low stage that it is currently at.

This conference provided all the concerned of the cooperative sector not excluding the regulators, with a platform to renew their commitment to support the cooperative sector's significance and celebrate its sanctity irrespective of the current crisis.

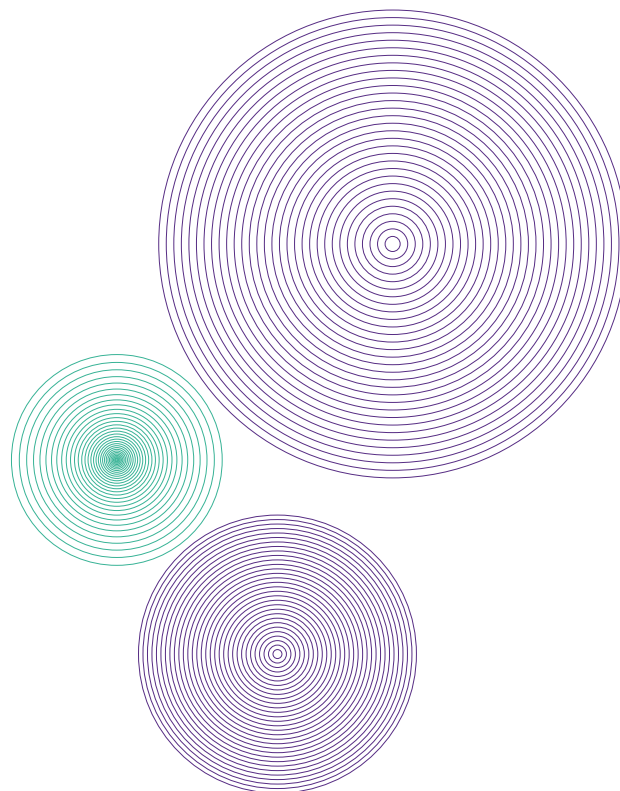
The Global Impact of Cooperatives and Mutuals

The International Cooperative Alliance (ICA) and the European Research Institute on Cooperative and Social Enterprises (Euricse) released the 2023 edition of the World Cooperative Monitor (WCM).

The 12th edition of the report contains the much-anticipated Top 300 rankings of the world's largest cooperatives and mutuals and a special focus on member's benefits based on findings from the fiscal year 2021, and publishes two separate rankings based on the turnover of each enterprise; and the other is based on turnover relative to the GDP per capita of the country where the co-op operates. Collectively, the world's 300 largest cooperatives had an overall turnover of US\$2.41bn in 2021, an increase from the 2020 total of \$2.17bn and the 2019 total of \$2.18bn.



WORLD COOPERATIVE MONITOR



Globally, the top of the podium is dominated by France's Groupe Cr dit Agricole) and the Groupe BPCE in the financial sector, followed in second place by Germany's REWE in the retail trade sector. On the ratio of turnover over gross domestic product (GDP) per capita two Indian producer cooperatives reach the first and second positions: The Indian Farmers Fertiliser Cooperative (IFFCO) and Gujarat Cooperative Milk Marketing Federation Limited. In third place is the French Groupe Cr dit Agricole.

Each year, the World Cooperative Monitor produces a robust database that shows not only the economic importance of the cooperative business model but also the global impact cooperatives and mutuals have on their members and communities. This is accomplished by building on years of research and data collection, and continually refining and

improving the methodology to produce its annual report. The in-depth research and collaboration to produce this report continues to provide the cooperative movement with a significant tool to evaluate its own positioning and highlights the importance of cooperative enterprises to the public and policy-makers around the world.

It explores the economic and social impact, and the capacity of the largest cooperatives and mutuals worldwide to convey the cooperative identity and advantage.

The WCM seeks to achieve three main objectives with its newest iteration; providing visibility to the cooperative movement; maintaining a database on the largest cooperatives; and responding to the knowledge needs of the larger cooperatives.



Gearing Up for the Momentous Year

International Year of Cooperatives 2025

The global cooperative community is eagerly awaiting for 2025 when the 2nd International Year of Cooperatives (IYC) will be celebrated in a grandeur fashion.

It is official, the United Nations General Assembly has proclaimed 2025 as the International Year of Cooperatives. This announcement follows the first successful observation in 2012 and recognises the essential role cooperatives play in promoting sustainable development globally.

Cooperatives, known for their unique ability to balance economic success with social and environmental responsibility, are seen as key players in achieving the Sustainable Development Goals (SDGs). The UN's resolution encourages member states to foster a supportive legal and policy environment for cooperatives, emphasizing their importance in various sectors, including agriculture, finance, and retail.

The International Co-operative Alliance (ICA) has warmly welcomed this initiative. The announcement is expected to boost global awareness of the value of cooperatives in creating equitable and resilient economies, especially in the face of global challenges like climate change and economic inequality.

The Director General of ICA, Jeroen Douglas, accompanied by the Director of Policy, Joseph Njuguna, held discussions regarding strategic discussions and plan at the United Nations Headquarters in New York to have for the IYC 2025.

The meeting had set up a roadmap for the launch of the International Year of Cooperatives, outlining some of the key areas of focus that would be impactful with measurable results for cooperatives, and actionable steps to be taken by stakeholders involved. The Nepali cooperative community has also welcomed the move and is really gearing up for the momentous year.





"we embarked on an incredible journey at The Soaltee Hotel, Kathmandu, and it wouldn't have been as exceptional without each one of you. Your active participation, insightful discussions, and unwavering enthusiasm made the 2023 ACCU Forum an unforgettable experience. Together, we explored innovative solutions, shared knowledge, and built valuable connections that will shape the future of our credit union movement."

Building Credit Union Momentum: Purpose, People and Passion

After a meaningful gap of nearly one decade, the Asian Credit Union Forum was held on 2023 September 4-16 in the federal capital of Nepal. Organized by the ACCU, it was jointly hosted by the Nepal Federation of Savings and Credit Cooperative Unions Ltd and the National Co-operative Bank Limited. The august gathering of the who's who of the credit union industry from across the Asia Pacific region and outside in the lap of the Himalayan region during the second last quarter of the English month, was a carnival in itself. It brought together industry leaders, professionals, and advocates from across the region to share knowledge, experience, and insights that helped shape the future of the credit union movement through productive plenary and breakout sessions.

The meeting in Kathmandu was participated by 427 delegates from 19 countries, out of which 340 were

male and 76 female, including 11 ACCU Board and staff. Also, the delegates visited and took stock of the service offered by the SACCOS of Kathmandu, Kavre and Bhaktapur District, Leading to the Forum were organized CEO Workshop, Asian Credit Union Executive Society (ACUES) Workshop, Women and Youth Workshop. Post the forum the ACCU concluded its annual general meeting too.

Nepali credit union community was more than happy to provide affectionate hospitality and a perfect platform for sharing knowledge, insights, experience that will, by all means, shape the future of the movement. The forum came to a conclusion that the strategic roadmap of all the credit unions across the region must encapsulate meeting the global goals set for 2030 and passed a resolution as well.

The purpose of
cooperative business is
to produce **happiness**,
not just pile up millions.





A Record Shattering Conference

WORLD CREDIT UNION CONFERENCE 2023

The World Credit Union Conference 2023 at the Vancouver Convention Centre, Canada was a massive hit as it shattered several records. The four-day event at the Vancouver Convention Centre, drew a record number of more than 3,000 credit union professionals from 60 countries -the first held in Canada in a decade.

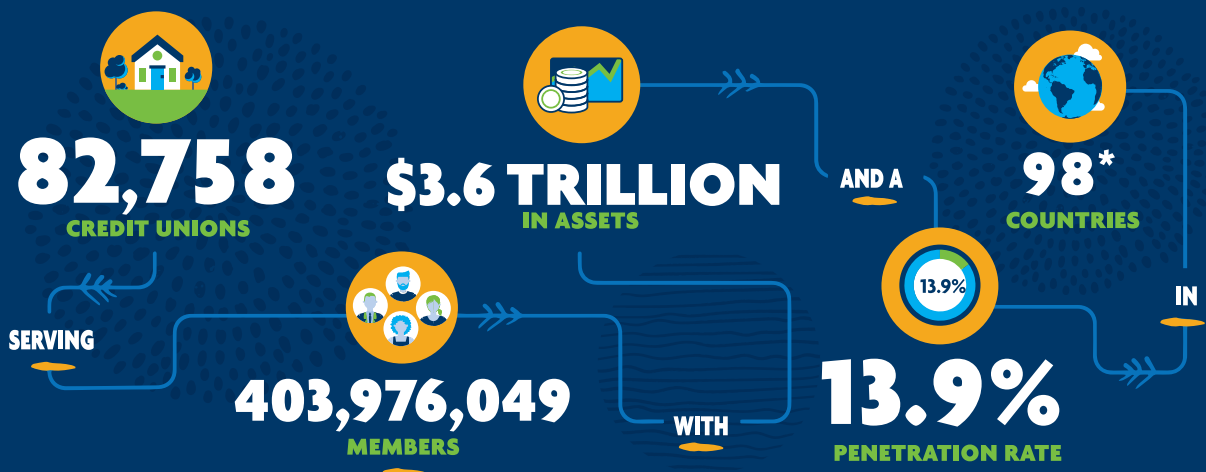
The event was matched by records for both the number of speakers nearly 100, as well as the number of keynote presentations or breakout sessions 43. The topics ranged from digitization, Climate finance and sustainability, regulation and advocacy, financial inclusion and education, diversity, equity and inclusion (DEI), human connection The future of work, digital marketing, etc.

The Solution Center at WCUC 2023 also featured the largest number of vendors ever for a World Credit Union Conference held outside of the United States.

NEFSCUN, as the direct member of the global association, also showed its attendance at the summit and is looking forward to the World Credit Union Conference 2024 to be held on July 21-24 in Boston, USA

WCUC 2023 also was a hit on social media. Our hashtag, #wcuc2023, was shared more than 2,000 times on Twitter, Instagram, Facebook and LinkedIn posts.

Press coverage of the event was also strong. WCUC 2023 was featured in more than 175 articles published by over 30 news outlets across 10 countries.



Nepal Federation of Savings and Credit Cooperative Unions Ltd. (NEFSCUN)

Statement of Financial Position

As on 31st Ashadh, 2080

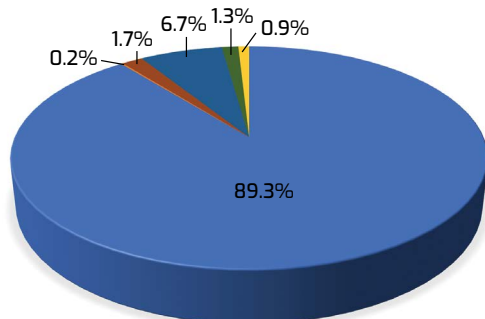
Amount in NPR

Particulars	Note	As on 31 st Ashadh, 2080	As on 32 nd Ashadh, 2079
Assets			
Cash and Cash Equivalents	4.1	6,70,15,37,226	4,41,75,83,400
Placement with Bank and Financial Institutions	4.2	3,37,46,00,000	1,78,00,00,000
Derivative Financial Instruments	4.3	-	-
Loans and Advances to Member Co-operatives	4.4	15,23,38,01,219	15,57,32,40,943
Loans and Advances to Staff	4.5	7,88,06,648	9,01,84,329
Investment Securities	4.6	23,11,000	23,11,000
Current Tax Assets	4.7	22,79,60,465	18,42,26,771
Investment Property	4.8	2,48,61,447	2,48,61,447
Property, Plant and Equipment	4.9	26,51,10,178	25,39,48,451
Right of Use Assets	4.10	6,30,66,673	5,61,82,107
Goodwill and Intangible Assets	4.11	4,41,67,446	1,81,39,762
Other Assets	4.13	12,43,00,829	7,76,19,409
Total Assets		26,14,05,23,131	22,47,82,97,619

Particulars	Note	As on 31 st Ashadh, 2080	As on 32 nd Ashadh, 2079
Liabilities			
Deposits from Member Co-operatives	4.14	23,33,08,76,128	18,33,88,67,893
Borrowings	4.15	4,17,50,000	1,26,09,00,000
Provision for Employee Benefits	4.16	6,09,59,300	5,92,20,100
Deferred Tax Liabilities	4.12	1,11,92,156	65,84,688
Deferred Grant Income	4.17	4,27,578	4,75,087
Lease Liabilities	4.10	6,87,11,230	5,89,74,747
Grant Liabilities	4.18	5,43,125	7,14,505
Other Liabilities	4.19	29,86,62,063	23,41,11,195
Total Liabilities		23,81,31,21,580	19,95,98,48,215
Equity			
Share Capital	4.20	1,74,92,33,300	1,67,04,84,500
General Reserve Fund	4.21	34,87,17,917	34,70,14,062
Patronage Refund Reserve		7,63,511	8,15,37,172
Other Statutory Reserves	4.22	13,56,37,993	31,70,41,819
Revaluation Reserve	4.23	7,65,68,429	8,61,39,482
Other Reserves and Funds	4.24	1,64,80,401	1,62,32,368
Total Equity		2,32,74,01,550	2,51,84,49,404
Total Liabilities and Equity		26,14,05,23,131	22,47,82,97,619

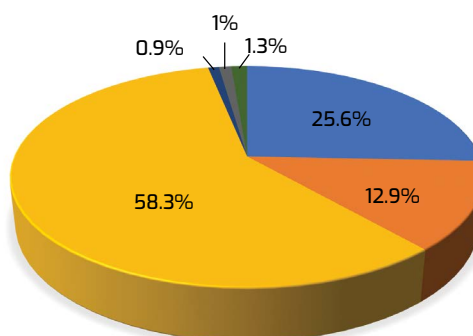
Equity & Liability

- Deposits from Member Co-operatives
- Borrowings
- Other Liabilities
- Share Capital
- General Reserve Fund
- Other Reserve & Fund



Assets

- Cash & Cash Equivalents
- Placement with Bank & Financial Institutions
- Loan & Advance to Members
- Current Tax Assets
- Property, Plant & Equipment
- Other Assets



SNAPSHOTS



The newly elected Board of Directors of the NEFSCUN.



The newly elected ASC team of NEFSCUN with the CEO.



The NEFSCUN participated on the 66th National Day of Cooperatives.



The 75th International Credit Union Day celebrated at the NEFSCUN



Deliberations with the National Youth Council Officials.



The introductory meeting with the Registrar.



One of the flagship programs of the NEFSCUN is CEO Workshop.



The 32nd AGM of the NEFSCUN was also a fanfare occasion.



The second consultation meeting of the Stabilization Fund.



The board meeting of the NEFSCUN.



Meeting with the Secretary at the line ministry.



Graduates of the CTEVT certified course run by the NEFSCUN.



NEFSCUN-DSIK team pose for a purpose.



Examining the public pulse on the thorny issues of the cooperatives.



NEFSCUN-CULROC agreement on mutual collaboration.



Participants penning their thoughts on the issues of cooperatives.



NEFSCUN with the USAID Trade & Competitiveness team



The women who won the trust at the AGM and turned victorious.



The orientation of the newly elected NEFSCUN board.



NEFSCUN with the media persons from the CJN.



New team of the NEFSCUN-SACCOS Managers' Club take the office.

Unified Self-Regulatory Directives 2023

We Take Pride In

- Unified Self-Regulatory Directives
- ICA Membership
- FOUNDATION Program run in local levels
- Strategic alignment with the global goals and national periodic plan
- Stabilization Fund is getting bigger and stronger
- Credibility of Quality Assurance Program
- Empowerment of SACCOS workforce
- Successful implementation of BDS Program
- Tools and technique to the SACCOS movement
- A new version of SACCOS anthem depicting solidarity of SACCOS movement

NEFSCUN has been issuing the directives to help members run their SACCOS in a responsible, transparent and accountable manners abiding by the generally accepted cooperative and credit union principles, norms and values, statutory provisions, regulatory directives, etc. The fourth edition encapsulates new directives along with earlier issued ones. These directives, if put into practice, will work as guidelines for SACCOS on obtaining organizational efficiency, maintaining good governance and reaching the new height of growth and development.



For Our Members

NEFSCUN Board of Directors



Mr. Chandra Prasad Dhakal
Chairperson



Mr. Damodar Adhikari
Sr. Vice Chairperson



Ms. Shanti Adhikari
Vice Chairperson



Mr. Ghanshyam Adhikari
General Secretary



Mr. Deepak Thapa
Treasurer



Ms. Kamala Devi Giri
Board Member



Ms. Mandra Mishra
Board Member



Mr. Susil Kumar Basnyat
Board Member



Mr. Laxmi Sapkota
Board Member



Ms. Sita Dhakal Poudel
Board Member



Ms. Gyanu Poudyal
Board Member



Ms. Shova Kumari Raut
Board Member



Ms. Deepti Shahi
Board Member



Mr. Gopal Prasad Gautam
Board Member



Mr. Khem Raj Subedi
Board Member



Mr. Nabaraj Aryal
Board Member



Mr. Dev Kumar Shrestha
Board Member



Mr. Shalikram Dhakal
Board Member



Mr. Bir Bahadur Rawat Bhot
Board Member

Account Supervisory Committee



Mr. Indraraj Jyoti Poudel
ASC Coordinator



Mr. Hemraj Bista
ASC Member



Ms. Durga Tiwari Sanjel
ASC Member

Senior Management Team



Shivajee Sapkota, PhD
Chief Executive Officer



Mr. Sanjay Raj Timilsena
Assistant Executive Officer (Principal)
Training and Resource Centre



Mr. Durga Prasad Dhakal
Assistant Executive Officer (HoD)



Mr. Ganesh Prasad Timalisina
Assistant Executive Officer (HoD)
Member Service



Mr. Radheshyam Shrestha
Assistant Executive Officer (HoD)
Finance and General Administration

CO-OPERATIVE VALUES:

Basic Values

Self-Help
Self-Responsibility
Democracy
Equality
Equity
Solidarity

Ethical Values

Honesty
Openness
Social Responsibility
Caring for Others

PRINCIPLES:

1. Voluntary and Open Membership
2. Democratic Member Control
3. Member Economic Participation
4. Autonomy and Independence
5. Education, Training and Information
6. Co-operation among Co-operatives
7. Concern for Community



CREDIT UNION PRINCIPLES

- Member Protection
- Governance
- Operations
- Safety and Soundness

OPERATING PRINCIPLES

Cooperative Structure

- Member Owned
- Member Controlled
- Democratic Control

Service to Members

- Financial Inclusion
- Financial Sustainability
- Maximizing Member Economic Benefit

Social Responsibility

- Financial Literacy
- Network Cooperation
- Community Responsibility
- Global Vision



NEFSCUN

Shared Technology for Integrated
SACCOS Network

Shared Technology

Single and sameness of the technology used by the SACCOS movement. Regular supervision, data update, professional management through technology and facilitation for immediate improvements. Includes four sectoral objectives of digitization, digitalization, digital transformation and digital inclusion, etc.

for



Integrated SACCOS Network

Uniformity in policy, procedure and technology. Member ownership in the product and service developed by the federation, cost sharing partnership programs, use of workforce in member SACCOS through human resource bank, provision of solidarity fund, standardized accounting system developed by the federation, adoption of model policy, use of trainers from the federation, etc.



**Nepal Federation of
Savings and Credit Cooperative Unions Ltd.**

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