Annual REPORT

2025/26

www.nefscun.org.np

Father of

Credit Unions

*A **credit union** is built on trust, mutual support and shared responsibility.*

F. W Raiffeisen

1818-1888 AD

About this report

This is the seventeenth annual report in English on the overall performance and impact of the Nepali financial cooperative sector under the umbrella of the NEFSCUN. The comprehensive report aims to summarize and synthesize the size, composition and overall wealth and health of the financial cooperatives that the publications have been highlighting since 2008.

It has an objective of providing a better understanding of the financial co-operative landscape of Nepal and their contribution to the national economy.

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.

International Cooperative Alliance

Global Office:

Alliance Coopérative Internationale – AISBL
Avenue Milcamps 105
1030 Brussels
Belgium
VAT: BE 0535 539 869
T: +32.2.743.10.30
ica@ica.coop
www.ica.coop

Office of the President

Dr. Ariel E. Guarco
Ecuador 374
1214 – CABA
Argentina
T : +54 11 2113 2107
president.guarco@ica.coop
www.arielguarco.coop

Regions:

Africa
Nairobi – Kenya
www.icaafrica.coop

Americas
San José – Costa Rica
www.aciamericas.coop

Asia and Pacific
New Delhi – India
www.icaap.coop

Europe
Brussels – Belgium
www.coopseurope.coop

Sectors :

Agriculture (ICAO)
www.icao.coop

Banking (ICBA)
www.icba.coop

Consumers (CCW)
www.ccw.coop

Fisheries (ICFO)
www.icfo.coop

Health (IHCO)
www.ihco.coop

Housing
www.housinginternational.coop

Insurance (ICMIF)
www.icmif.org

Industry and Services (CICOPA)
www.cicopa.coop

Message

On behalf of the International Cooperative Alliance, I am pleased to extend our warm greetings to the Nepal Federation of Savings and Credit Cooperative Unions Ltd. on the occasion of your Annual Report 2025/26.

NEFSCUN's ongoing commitment to strengthening savings and credit cooperatives, and to promoting inclusive and sustainable financial services, is a clear example of the vital role cooperatives play in improving people's lives and building resilient communities.

We highly value our continued collaboration and shared vision for a cooperative movement that is strong, inclusive, and future-oriented. Together, we can further advance cooperative solutions to today's global challenges.

Please accept our sincere congratulations and best wishes for your continued success.

Ariel Guarco
President

World Council

Message

On behalf of World Council of Credit Unions, I extend our best wishes to NEFSCUN as you prepare your Annual Report for fiscal year 2025/26.

NEFSCUN plays an important role in strengthening savings and credit cooperatives across Nepal and expanding access to financial services. Your work reflects the core values of the global credit union movement.

In today's interconnected financial landscape, credit unions are more important than ever. Globally, the movement serves more than 412 million members through over 67,000 credit unions in 101 countries. Through international advocacy, World Council works to ensure the credit union model is understood and supported in global policy discussions, enabling cooperatives to serve their members effectively.

We also see continued opportunity in expanding digital financial services to reach underserved populations and strengthen economic resilience in communities worldwide.

We wish NEFSCUN continued success in the year ahead and look forward to ongoing collaboration in support of our shared mission.

Sincerely,

Paul Treinen
President and CEO
World Council of Credit Unions

World Council of Credit Unions, Inc.
99 M Street SE, Suite 300, Washington, DC 20003 • +1-202-638-0205
www.woccu.org

ASSOCIATION OF ASIAN CONFEDERATION OF CREDIT UNIONS

Message

As you gather for your Annual General Meeting, we find ourselves at a defining moment in the history of the Asian Credit Union movement. The world around us is changing, technology is moving faster, the climate is shifting, and the needs of our families are evolving. In this landscape, staying the same is no longer an option.

This year, the Association of Asian Confederation of Credit Unions (ACCU) calls upon every member, manager, and leader to embrace a journey of Transformation and Resilience.

Our journey begins with a Culture Shift—moving beyond silos toward collaboration and agility. We are embedding cooperative values into everyday decisions and empowering teams to lead change from within. It is reinforced by Governance Renewal, which strengthens oversight and transparency so that leadership not only complies but also sets a higher standard of integrity.

Looking ahead, we see a growing gap that demands Member Reconnection. By listening to youth and underserved communities and reintroducing our cooperative identity through Purpose Driven Storytelling, we tell a new story—credit unions as movements for equity and community empowerment, not just financial institutions.

To stay relevant, we are pursuing Innovation Acceleration. By adopting digital tools and innovative fintech partnerships, we are future-proofing our services without losing our "human touch." This is part of a larger Realignment, a transformational shift that brings our organizations back into balance, strengthening our financial foundations and re-centering everything we do around you, the member.

We also know that we are stronger together. Through the Integration of Credit Union Networks, we are moving from fragmented efforts to a cohesive regional force. This unity gives us a louder voice in Policy Advocacy, allowing us to influence laws that protect your savings and promote growth. Together, we are building Climate and Social Resilience, evolving into protective networks that help our communities withstand environmental shocks and social transitions.

Finally, our journey leads us to true Financial Inclusion. We are turning our credit unions into vehicles of empowerment where the marginalized are not just "included" on a list but are actively represented and supported.

You are part of a united movement—together we are shaping a resilient legacy for generations to come.

In solidarity and cooperation,

Elenita V. San Roque
Chief Executive Officer

5th Floor, FSCT Building, 199 Nakornin,
Bangsrithong, Nonthaburi 11130, Thailand
Tel: +662-496-1262 and +662-496-1264 Fax:+662-496-1263
Email: accumail@aaccu.coop Website: www.aaccu.coop

Member: International Co-operative Alliance; International Cooperative Banking Association; International Raiffeisen Union; United Nations Special Consultative Status; PROXFIN

नेपाल सरकार

राष्ट्रिय सहकारी नियमन प्राधिकरण

NATIONAL COOPERATIVES REGULATORY AUTHORITY

स्थापना–२०८१

पत्र संख्या :

चलानी नं. :

Message

On the occasion of publication of Annual Report for the fiscal year 2025/26 by the Nepal Federation of Savings and Credit Cooperative Unions (NEFSCUN), I extend my heartfelt best wishes on behalf of this regulatory authority.

The cooperative sector has been established as an important pillar of Nepal's inclusive economic development, expansion of financial access and collective prosperity. In this context, I appreciate the role played by NEFSCUN, as the apex body of the financial cooperative sector, in enhancing the capacity of member institutions, strengthening institutional frameworks, promoting financial discipline and upholding good governance.

At the same time, the current environment clearly calls for further strengthening transparency, accountability, risk management and the protection of member's interests within the cooperative sector. From a regulatory perspective, it is essential that the union and its affiliated institutions fully comply with prevailing laws, policies and standards, while giving high priority to financial discipline and institutional integrity.

As a leading institution, NEFSCUN is expected to play a more effective role in guiding its member organizations in areas such as good governance, internal control systems, risk mitigation and sustainable financial practices. Likewise, member institutions must remain vigilant towards their responsibilities and duties, and operate in accordance with cooperative values, principles and objectives. In this regard, we also expect NEFSCUN to maintain appropriate oversight and vigilance.

In its capacity as a regulatory body, we assure continued policy facilitation, effective and systemic regulation and collaboration to ensure the sustainable, transparent and credible development of the cooperative sector. Strengthening cooperation, coordination and commitment among all stakeholders will be essential to further reinforce, systematize and make the sector more accountable, while enhancing its contribution to the national economy.

Finally, I wish for the full success of this Annual Report to be published by NEFSCUN and express confidence that it will provide important guidance in strengthening the cooperative sector and promoting financial stability in the days ahead.

Thank You.

Dr. Khagraj Sharma
Chairperson

Date: 15th March 2026

Phone: 4465362/4461177
Email: info@deoc.gov.np
Web: www.deoc.gov.np

Government of Nepal

Ministry of Land Management, Cooperatives and Poverty Alleviation

Department of Cooperatives

New Baneshwor, Kathmandu
Nepal

Ref No.: 2082/83
Dispatch No.:

Message

It gives me great pleasure to extend this message on the occasion of the Annual Report 2025/26 of the Nepal Federation of Savings and Credit Cooperative Unions Ltd (NEFSCUN). NEFSCUN has continued to play a pivotal role in strengthening the savings and credit cooperative movement in Nepal and promoting financial inclusion across communities.

The cooperative sector, recognized as a key pillar of the national economy, has significantly contributed to improving the socio-economic status of its members. In recent years, NEFSCUN has undertaken several important initiatives, including capacity-building programs for member cooperatives, promotion of digital financial services, strengthening risk management practices, and enhancing institutional governance. Its continued efforts in expanding networks, fostering partnerships, and aligning with international cooperative standards are highly commendable.

At the same time, the Government of Nepal, through the Department of Cooperatives, has prioritized reforms to address emerging challenges in the sector. Recent amendments in cooperative laws and the establishment of regulatory mechanisms have aimed to ensure transparency, accountability, and protection of members' savings, thereby restoring public trust.

In this context, NEFSCUN's role as the apex body of savings and credit cooperatives is even more crucial. Its collaboration with stakeholders, commitment to good governance, and focus on sustainable growth have contributed to reinforcing confidence in the cooperative movement.

I would like to express my sincere appreciation for NEFSCUN's continued dedication and partnership. I am confident that, with collective efforts and shared commitment, the cooperative sector will further strengthen its contribution towards national development and the achievement of broader economic and social goals.

I wish NEFSCUN continued success in its future endeavors.

Thank you.

Sushil Dhakal
Registrar

Message

It gives us immense pleasure to extend our warmest greetings and best wishes to the Nepal Federation of Savings and Credit Cooperative Unions Ltd. (NEFSCUN) on the occasion of the publication of its Annual Report for the fiscal year 2025/26.

As the apex body of the savings and credit cooperative movement in Nepal, NEFSCUN has made a remarkable contribution to strengthening and elevating the cooperative sector to its present height. Its continuous efforts in promoting self-regulation, transparency, good governance and institutional strengthening among savings and credit cooperatives are highly worthy.

Being a leading association among the active members of the National Cooperative Federation, NEFSCUN has played a significant role in bringing forward various programs that support the sustainable development of savings and credit cooperatives. Its commitment to disseminating information and maintaining transparency through the regular publication of annual reports has greatly contributed to enhancing trust and accountability among members and stakeholders.

We sincerely appreciate NEFSCUN's dedication to strengthening the cooperative movement and fostering collaboration among stakeholders. We believe that NEFSCUN will continue to play a vital role in guiding savings and credit cooperatives towards professionalism, financial discipline and sustainable growth.

On behalf of the National Cooperative Federation Ltd., we extend our heartfelt congratulations and best wishes for the successful publication of the Annual Report 2025/26. We wish NEFSCUN continued success in its future endeavors and reaffirm our commitment to ongoing cooperation and partnership for the advancement of the cooperative movement in Nepal.

(Ramesh Prasad Pokhrel)
Acting Chairperson

We are a Network

NEFSCUN is the unified voice of Nepal's financial cooperatives or Credit Unions that are locally termed as Savings and Credit Cooperatives (SACCOS). It is a member based apex body advocating for all the SACCOS across the nation. The NEFSCUN's 4000 member affiliates represent 5.9 million individual members.

It is dedicated towards delivering what is promised-empowering all member affiliates to be mightier, more resilient and more sustainable in realizing the aspirations of every individual member within its network.

Primarily, it provides expertise across governance, mentoring, membership, human resource and training. By providing tailored advice, advocacy and development support, the federation champions in its objective of lobbying, advocation on regulatory and policy facilitation. It ensures that financial co-operatives have a fair and influential voice, shaping a business environment that enables them to thrive.

NEFSCUN is a co-operative in our own right, owned by those who stick to the values and principles of co-operation. It serves the needs of the members and the broader co-operative economy. Its members operate across all areas and cater to the diverse needs of their individual members who share commitment to a fairer society through shared wealth and democratic ownership.

It has been working alongside the International Cooperative Alliance, the World Council of Credit Unions, the Association of Asian Confederation of Credit Unions, the National Cooperative Federation of Nepal (NCF-Nepal) and others domestic and foreign allies to build a better future of financial cooperatives of Nepal.

The NEFSCUN:

- is the sole apex organization of savings and credit unions in Nepal established on 16 August 1988,
- represents financial cooperatives to governments, policy makers and the media,
- is a federation that provides a full range of information, training and development services to help its members grow as sustainable financial services providers,
- is governed by a Board of Directors who are directly elected by the representatives from member SACCOS.
- is registered under the Co-operative Act
- is the member of the International Cooperative Alliance, the World Council of Credit Unions and the Association of Asian Confederation of Credit Unions (ACCU),

1
Head Office

19
Member Service Offices

8
Service Centres

175
Staff

76
District Coverage

5.9M
Individual Members

4399
Total Members
4336 Primary SACCOS
4 Provincial Unions
59 District Unions

170M US$
Total Assets

As per FY 2025 July 15

Published By
NEFSCUN

Editorial Team
Damodar Adhikari
Shivajee Sapkota, PhD

Prepared By
Ranjan Mani Paudyal

Design & Layout
Nibash Dongol

Values

Commitment
Only Member Service
Original Identity
Professionalism
Excellence
Reward for Innovation
Accountable
Transparency
Inclusiveness
Openness
Neutrality

Mission

Improving Lives of People through Stable SACCOS Network.

Vision

Accountable Integrated Network of Sound and Safe SACCOS

Affiliation

Collaboration

German Sparkassenstiftung FOR INTERNATIONAL COOPERATION

AFLATOUN Social & Financial Education

giz Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH

HARNESSING THE MOMENTUM

Chandra Prasad Dhakal
Chairperson

We are at a pivotal moment for the co-operative movement in our country. We stand on the cusp of transformative change along with the change in the political sphere. At NEFSCUN, we are ready to seize the opportunity to work with the newly stable government to better the future of the cooperative movement.

We concluded the last year on a high with significant progress in ensuring our vision to become a reality, strengthening our sector, forging new partnerships, and reinforcing our role as the apex body for the financial cooperatives here in Nepal.

Last year holds particular significance, as 2025 was designated by the United Nations as the International Year of Co-operatives. It's a global recognition of the essential role co-operatives play in driving sustainable development and achieving the UN's Sustainable Development Goals (SDGs). Across the world, co-operatives are proving how democratic, member-owned businesses can build resilient economies, reduce inequality, and create meaningful, values-driven employment.

As we embraced the International Year of Co-operatives, we did so with optimism, ambition, and a firm belief in our ability to build a better future - one that is fairer, more inclusive, and rooted in the values of democracy, solidarity, and mutual benefit. We will continue to champion financial co-operatives as the businesses of the future, in our country and beyond. Our international partnership initiatives, alongside internal collaborations, have demonstrated our commitment to ensure that financial co-operative businesses can flourish, strengthening communities, driving economic growth, and creating a fairer future for the individual members SACCOS.

In Nepal, we have a unique opportunity to harness this momentum and position co-operatives as the businesses of the future as new strong and stable government has been mandated by the general election. We also hope the government, sets out clear policy actions to unlock co-operative potential. We hope our commitment to strengthening and stabilizing the financial cooperative movement aligns with the commitment of the newly elected government. And we are assured that our partnerships and programmes will make a tangible impact, empowering new and existing member co-operatives to succeed.

We look forward to working with strong government and regulators to position financial cooperatives at the centre of the economic and social agenda, in line with our collective goal of bringing positive changes in the lives of people.

A BOLD GAZE INTO THE FUTURE

Shivajee Sapkota, PhD
Chief Executive Officer

It gives me great pleasure to present this message as part of our Annual Publication 2025/26. Over the past year, our network has demonstrated resilience, commitment, and steady growth despite the evolving financial landscape of savings and credit in Nepal.

We remain dedicated to our core mission of promoting financial inclusion, empowering our members, and fostering a culture of trust and cooperation. Through innovative services, prudent financial management, and member-focused initiatives, we have strengthened our position and expanded our outreach within the community. For the past 38 years, we have played a vital role in promoting innovation, technology transfer, education, monitoring, supervision and policy advocacy with the government to build trusted image of SACCOS.

This year has been marked by significant achievements, including improvements in service delivery, increased member participation, and the successful implementation of development initiatives designed to enhance the financial well-being of our community. These accomplishments would not have been possible without the unwavering support of our members, the guidance of our Board, and the dedication of our staff.

As we look ahead, we are committed to embrace new opportunities while upholding the values that define us through adopting following strategies:

1. Representation and Advocacy
It works with governments, regulators, and organizations to promote favorable policies, laws, and regulations for the credit union sector.

2. Training and Capacity Building
We provide education and training programs for staff, board members, and volunteers. This helps improve governance, financial management, and operational efficiency.

3. Supervision and Monitoring
We help to ensure that member credit unions follow proper financial and operational standards. They may conduct audits, offer guidance, and promote best practices to maintain stability.

4. Financial and Technical Support
Our federation provides technical assistance, advisory services, and sometimes financial support (like liquidity facilities or shared services) to help weaker or smaller credit unions to grow.

5. Promotion and Public Awareness
We promote the concept of credit unions to the public-highlighting benefits like savings, affordable loans, and community development-to attract new members.

6. Networking and Cooperation
We created a platform for cooperation among credit unions. Members can share experiences, resources, and innovations, strengthening the entire movement.

7. Development of New Services
We have introduced shared services such as: Centralized IT systems, Payment platforms and many more which allows smaller credit unions to access services they couldn't provide alone.

To sum up, we will continue to prioritize transparency, sustainability, and inclusive growth, ensuring that our federation remains a trusted partner in the financial journey of every member.


2025
Regulatory Alignment
2014
Network Management
2006
Quality Assurance
1998
Professionalization
1992
Institutionalization
1988
Promotion & Development
Strategic Direction
Nepal's SACCOS Movement

Advocacy 360

Just like what WOCCU President and CEO Paul Treinen says in regard to the role of the global trade association, NEFSCUN's role is not about policy for policy's sake, it is about making sure that our members can continue doing what they do best; serving their members, strengthening communities and expanding access to financial services for people who need it the most and that takes advocacy at every single level; local, district, state, national and international. We are proud to be part of that effort working with you.

Learning from the best practice in the international credit union movement, especially the America's Credit Unions, the central federation is pushing for fierce and bold lobbying and advocacy campaign. Advocacy 360 has also been the effective strategy here at NEFSCUN.

The advocacy endeavours address cooperative and credit union related public policy issues from all angles, saturating policymakers with our message everywhere. We have carried out unified effort brought to bear by the strong advocacy partnership that primary institutions, district and provincial unions and the National Cooperative Federation of Nepal have built over decades. To be specific, NEFSCUN constantly pressed the government (federal, provincial and local) authority to execute the provisions of the Cooperative Act. It encouraged all three levels of government to support financial cooperative related issues and legislation. The NEFSCUN board regularly cooperated with industry volunteers to review proposed legislation, identifying our official position, and advocating for or against any proposals as necessary.

Consequently, the National Cooperative Regulation Authority (NCRA), Loan Recovery Tribunal (LRT) have been set up whereas the cooperatives with NCRA license also have access to Credit Information Center.

Our Lobbying and Advocacy efforts led to meaningful regulatory advancements, successfully influencing government and stakeholders to include provision in its declarations, directives and doings.

Being successful enough to draw the government and regulators' attention at an all-time high, it's as important as ever that we execute our 360-degree advocacy strategy to ensure our members remain in a position to improve their members' financial well-being and advance the communities they serve.

Due to the changing legal structure and regulatory framework in the cooperative sector, particularly affecting the financial transactions of unions, serious challenges have arisen. Under the leadership of the National Cooperative Federation of Nepal, discussions and advocacy have been carried out with various stakeholders to clarify the perspectives of unions and, especially, to better define the role of unions and the central federation.

In particular, there has been confusion in the cooperative sector caused by standards and directives issued by different bodies such as the Department of Cooperatives, the Ministry of Cooperatives, the National Cooperative Regulatory Authority and even by the Central Bank. Discussions have therefore focused on the need to issue such standards and directives through a one-door system. It has also been emphasized that, in line with the spirit of Constitution regarding cooperative regulation and the federal regulatory authority outlined in Schedule 5, these directives should be issued in a way that ensures compliance by cooperatives at all levels.

Savings and credit cooperatives should carry out financial transactions and seek financial solutions through the unions to which they are affiliated. The inter-lending service established for this purpose should be placed under close monitoring, and liquidity consideration and inter-lending mechanisms should be made more effective.

This year we demanded and facilitated that it be made mandatory for unions to inspect and monitor their affiliated institutions and submit reports to the relevant authorities.

For the management of affiliated savings and credit cooperative networks, policy arrangements should be made for central unions to establish networks that guarantee advocacy, training and education, technology, financial solutions, and the internalization of best practices. Furthermore, a policy basis should be developed to set up Central Liquidity Fund (CLF), to be operated and managed by the central union under the close supervision of the central bank, to meet the liquidity needs of savings and credit cooperatives.

Additionally, during loan recovery, when cooperatives acquire non-banking assets (such as collateral property), the existing provision requiring 100% loss provisioning from the date of acquisition should be reconsidered. As per the provision of the Cooperative Regulations, if the concerned owner wishes to reclaim the property, it must be returned within six months. Since such assets cannot be immediately sold or transferred and are already registered in the institution's name-thus reducing or securing credit risk-it has been suggested that risk management for such non-banking assets should be made voluntary initially and gradually mandatory. Reducing taxation burden is what is also very urgent.

Most importantly, SACCOS Act remains the topmost priority. With a strong and stable government in office and its concern to streamlining financial cooperatives, the need for a SACCOS act has become more and more urgent. We are confident that during this changed political context, we will become able to convince the government.

With the growing complexities and various governance issues surfacing on the scene, it is important to have the SACCOS act that will help register, monitor, evaluate and regulate the services of financial cooperatives. NEFSCUN is hopeful that the separate act will come into fruition soon in the changed political context.

Through advocacy, it defends and promotes the larger interest of member financial cooperatives thereby raising voice against ill intentions of whosoever and championing stronger for worthwhile causes.

The **Specialized Regulator** is Instituted

It's main duties and authorities include formulating and implementing national standards related to the registration, regulation, supervision, monitoring, and reporting systems of cooperative institutions primarily engaged in savings and credit transactions. Also, it issues regulatory standards (prudential standards) concerning the operation of such cooperative institutions, regulates, monitors, and supervises cooperative institutions primarily engaged in savings and credit transactions.

Besides, it undertakes necessary actions to ensure the security of depositors' savings; regularly inspects such cooperative institutions; receives complaints, investigates them, and issues directives to the concerned institutions. It also has the duty to prepare a roster in coordination with the Institute of Chartered Accountants of Nepal for regulatory supervision, and

The government established the National Cooperative Regulatory Authority (NCRA), a second-tier institution, to regulate cooperative institutions primarily engaged in savings and credit transactions within the jurisdictions of the federal, provincial, and local levels monitor so as to ensure good governance.

It is assigned with the primary task of regulatory work including disciplining financial cooperatives, investigating the cases of misappropriation of cooperative deposits and recommend actions against culprits. It is expected to ensure the fulfilment of statutory obligations to maintain a safe and sound financial cooperative system where their members are protected.

to conduct prudential audits of cooperative institutions primarily engaged in savings and credit transactions, including others.

However, it can delegate certain powers to the Registrar, Provincial Registrar, and cooperative officers at the local level for implementation.

It is expected that with the operation of the powerful agency, the cooperative operators involved in embezzlement of savings of depositors will be brought to justice. Moreover, the authority handed to it will come handy in strictly regulating and supervising the financial cooperatives of the country.

Demand Finally Responded **Loan Recovery Tribunal** Set Up

One of the major problems faced by the cooperative sector is the inability to recover loans disbursed to members. When cooperatives cannot recover the loan principal and interest, even after the due date, depositors are unable to get back their savings, putting their funds at risk.

To support the recovery of depositors' savings and address this growing concern, the Government of Nepal formally established a Loan Recovery Tribunal for cooperatives, seven years after legal provisions were introduced under the Cooperative Act and Cooperative Regulations. The Government of Nepal established a Loan Recovery Tribunal to support legal assistance.

This tribunal has been assigned the jurisdiction to initiate and conclude cases related to unrecoverable loans from cooperative institutions. Since then it has been regularly and systematically carrying out its responsibilities.

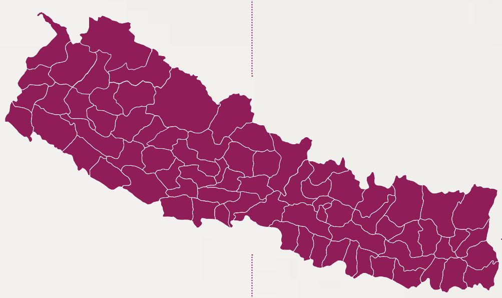
Cooperative institutions are considered to be organizations that operate based on self-reliance and mutual cooperation, practicing self-regulation, self-control, and maintaining a member-centric approach according to certain values, principles, and ethics. However, many cooperatives, especially those operating in urban areas, have deviated from these fundamental principles. They have invested funds and disbursed loans in ways that contradict cooperative values, and have failed to recover loans within the specified due dates. As a result, some cooperatives have already entered into crisis, while others are heading toward similar challenges.

This tribunal is endowed with authority equivalent to a district court, is tasked with resolving cases involving bad loans of cooperatives. Under the regulations, cooperatives may file a claim with the tribunal if they fail to recover loans within one year of default. Legal complaints must be lodged within four years of the missed deadline. Once a case is filed, the tribunal is required to issue a verdict within 90 days. It also holds the authority to freeze or auction a debtor's assets to recover dues. This institution is expected to smoothen the functioning of the cooperatives by helping them recover problematic loans.

coop in Nepal

Total Cooperatives
32,965

Total Membership
10.09M



Total Direct Employment
90,265

Total Savings & Deposit
1.12T USD

Total Share Capital
143.29B USD

Total Loan Investment
923.74B USD

Source:
(Economic Survey, 2082)

Strategic **Shift**

NEFSCUN envisions to build a better world through co-operation. Our mission is to empower and grow Nepal's financial co-operative economy by being the voice of co-operation and member ownership. In simple terms, we help our members succeed which eventually helps their individual members succeed. Our members are at the heart of everything we do. NEFSCUN exists for and because of our members, and we cannot achieve our shared ambitions without their engagement and participation. As we reach finish two years of our four-year strategy, we are more focused than ever on delivering tangible value for members - ensuring they have the support, services, and advocacy needed to flower. When we first launched this strategy in 2024/25, it was planned cautiously and deliberately anticipating the future. However, recognising the need to review it we have reviewed and have done some substantial correction based on the economic scenario. That is why it is our official roadmap.

We have forged addition collaborations with domestic and foreign allies, sector partners, and policymakers to champion financial co-operative business.

4x4 STRATEGIC DIRECTION
2024/25–2027/28

The collective effort, we believe, can build a stronger, more visible, and more diverse democratic economy. As part of the global Co-operative Movement, we are active members of the International Cooperative Alliance, the World Council of Credit Unions and the Association of the Asian Confederation of the Credit Unions, etc. Through these networks, we champion Nepali financial co-operative sector on the international stage, sharing best practice and learning from co-operators worldwide. By working together, we strengthen the Movement and drive forward our shared vision of a fairer, more co-operative economy.

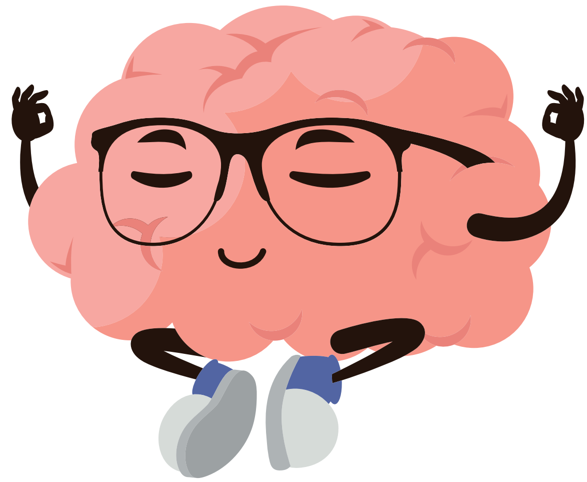
Our strategy is fluid and flexible yet anchored by four critical themes, which we refer to as strategic pillars. These pillars help direct and define the scope of all strategic activities we undertake to build our strength and sustainability. This strategic vision is guiding us as we open a new chapter of growth. Developed through extensive consultation with members, employees, the Board of Directors and other role holders, the vision will feel familiar, with sharpened focus on forward-looking aspects, such as specific goals and targets, all to build on the momentum we have generated since long. The direction has been chalked with our organization's purpose and values in mind.

The environment in which we operate is diverse and increasingly complex, requiring better understanding and measurement of our business in terms of financial performance, risk, and impact on local, regional, and global communities. It is crucial that we are well-positioned for a stronger and more sustainable future-for our members, employees, and communities. We aims to grow, innovate, and lead in the financial cooperative sector while staying true to cooperative principles and positively impacting communities and the environment. Our approach to impact focuses on sustainable growth, fostering innovation and maintaining leadership in the industry, all while ensuring that our actions benefit our members and the broader community.

We are making strong and deliberate progress into a simpler, easier to engage, and more relevant NEFSCUN. One that is firmly focused on delivering a superior member experience through digital platform, while continuing to offer personalised service over the phone or face-to-face for all member. In response to evolving market dynamics, we have expanded access via our digital channels. This strategic shift is strengthening our competitiveness, improving efficiency, and reducing cost and turnaround times across the business. Our disciplined execution and alignment with member priorities have delivered improved performance and a stable margin, even amid challenging operating and regulatory conditions. These outcomes validate our strategy to position all our member SACCOS as strong digitally enabled servers of their members. While we continue to navigate significant challenges, we are taking decisive action to elevate member experience and drive meaningful performance improvements. We have taken bold steps to simplify operations and maintain focus on our strategic objectives. Key milestones include the further refinement of our quality assurance program, visible improvement of MYRA ERP, increased reach and connectivity with our members, the introduction of Business Development Programs and Micro Business Games. To stay responsive and relevant in this ever-evolving industry, our focus remains on expanding digital capabilities while preserving the human touch we are known for and proud of.

As we know, financial co-operatives thrive on active participation, clear and compelling communication helps members stay informed, engaged, and motivated to contribute to decision-making and the success of their SACCOS. And strategic communications - including compelling story-telling - ensure that policymakers, media, and the public understand the benefits of member-owned business. A consistent, well-articulated narrative reinforces the values of co-operation, mutual aid, and democratic ownership, distinguishing financial co-operatives from other business models. And all these are lucidly chalked out in our strategic direction.

Investing in **Members**, Investing in **Minds**



"Credit **unions** are not merely financial **institutions**, They should **educate** their **members**."

Friedrich W. Raiffeisen

Training and education stands focused among co-operative principles. The International Cooperative Alliance has also stated in one of its documents that it is the education that helps establish and strengthen remaining principles. The distinct cooperative identity can only be secured when Principle 5 establishes its prominence among wider population.

At NEFSCUN, we don't have second thought to the sweet realization of the ICA. Being a national umbrella organization, and also the member of the ICA, it believes education is truly key to driving meaningful changes in the lives of the individual members of our member affiliates.

Besides cooperative principles, financial education remained a cornerstone of our mission in this year to build financial resilience in our members and the communities they serve. We heavily invested our strength and capabilities in equipping leaders and professionals. We provided expert advice tailored specifically for financial co-operatives, grounded in co-operative values and principles along with credit union ethos.

In 2025, we mentored leaders and professionals along with internal staff, highlighting the connection between a changing climate and the role of financial cooperatives in supporting sustainable communities.

We also participated in multiple events hosted by industry partners and stakeholders as part of our share and care strategy.

Through teaching and training we also reinforced our commitment to environmental responsibility and cultivating sustainable habits. The NEFSCUN remains dedicated to empowering our owners and communities with the knowledge and resources to embrace sustainability, ensuring a better future for all.

Our technical guidance as well was guardianship was welcomed with open arms by our members. It is through teaching we injected pragmatic understanding of governance standards, regulatory changes and SACCOS *Sanskriti*, all designed to meet the unique needs of our members.

CICTAB

Centre for International Cooperation and Training in Agricultural Banking (CICTAB) in India has become an international educational hub for Nepali cooperators since long. And all thanks to NEFSCUN for initiating this as it takes extreme pride in this camaraderie. The year also saw more than 200 cooperative professionals participate in various training and exposure program organized by the CICTAB and coordinated by NEFSCUN.

These trainings mainly focused on topics such as agricultural banking, management of savings and credit cooperatives, promotion of entrepreneurship, cooperative governance, financial management, etc. Since the program is conducted under the Government of India, the training is completely free of cost for participants.

These trainings have significantly contributed to international experience sharing, knowledge expansion, and capacity building in the cooperative sector. The trainings help bring positive impacts on institutional development and leadership strengthening to Nepali cooperative sector.

This year, NEFSCUN provided opportunity to 55 participants in capacity-building programmes in

India focused on financial technology, cooperative business models, agriculture, dairy, fishery, agri-export procedures, and trainers' development.

MANAGEMENT AS A TECHNICAL EDUCATION

The Council for Technical Education and Vocational Training (CTEVT) certified Cooperative Manager Course is other means of equipping human resource in the industry. The course, now one of our flagship programs, is aimed at producing human resource to

fulfil the dearth of skilled staffers in the cooperative and credit union sector. The training arm of NEFSCUN runs the program that saw its inception in 2019. The seventh batch, that accomplished its mission this year, says 'the sky is the limit for us'.

It helps to develop professional skills in the field of cooperative management. The Managers' Course is a 600-hour structured and practical program designed to develop good governance, financial discipline, and results-oriented management capacity in cooperative institutions.

CCULB

A 19-member team comprising representatives from the Department of Cooperatives, district unions, and SACCOS in collaboration with NEFSCUN, participated in the exposure visit to Bangladesh. It was the 29th CCULB-NEFSCUN Mutual Study and Observation Visit Program. The program, organized under the joint collaboration of the Co-operative Credit Union League of Bangladesh Ltd. (CCULB) and NEFSCUN, had the objectives of exchanging experiences between the cooperative movements of two neighbouring nations. During the visit, the participants took stock of the Bangladeshi cooperative movement, its good practices, governance system, member-centric services, and policy and managerial improvements and others.

The study tour provided representatives from the cooperative sector an opportunity to understand international-level cooperative systems, legal frameworks, operational practices, and the latest models of member.

Such mutual study tours provide opportunities of cementing bilateral relations, besides experience sharing and learning. These types of programs are essential for the sustainable development of the cooperative sector.

During the visit, the team observed cooperative institutions, regulatory bodies, training centres, and credit unions in Bangladesh. They also participated in interactive sessions to study innovations in the Bangladeshi cooperative model, member financial inclusion, digitalization, and internal governance practices. The knowledge, experiences, and insights gained from the visit are expected to be valuable for cooperative policy-making, management, and empowerment in Nepal.

LEADER**SHIFT** BOOTCAMP:

Embracing the Eleven Transformative **Shifts**

To stay relevant and real in a fast pace demanding environment, every leader must embrace continual learning, unlearning, and relearning. Successful leaders quickly develop the adaptability to go with the flow and be in the moment. This is real transformation.

“The pessimist complains about the wind. The optimist expects it to change. The leader adjusts the sails.” John Maxwell. Yes, to thrive and drive leaders must master the art of continual adaptation and innovation. A leader has to change mindset, skillset, and toolset from stability and long-range plans to flexible, faster, more agile approaches. As shifting focus from achieving specific goals to inspiring personal and organizational growth ensures long-term success.

Effective leaders move from directing to connecting, building strong relationships and empowering their teams to achieve collective success. Transitioning from positional authority to moral authority, leaders should guide their teams with a strong ethical foundation and a compelling vision. By courageously navigating uncertainty and recognizing that today’s best efforts won’t meet tomorrow’s challenges, leaders can drive continuous improvement and innovation.

This is mantra the NEFSCUN has been trying to preach to the practitioners and professionals in the industry with the help from the ACCU. In fact, it is Maxwell who is inspiring all of us to push like a bull in order to stay in the business of serving our members. Since its launch in NEFSCUN by the ACCU, it has been given back to members in numerous occasions. The year we bade bye also saw the very leadership bootcamp conducted in different names, different places, different versions and to different professionals but with the same purpose of shifting the leaders.

Transformative **Journey** as a Development **Educator**

Participating in the 41st Asian Credit Union Development Education (DE) Workshop in Bangkok, Thailand, organized by the Association of Asian Confederation of Credit Unions (ACCU), has been one of the most defining and transformative experiences of my professional journey. Representing NEFSCUN in such a prestigious international platform was not only an honor but also a deeply enriching opportunity that has significantly reshaped my perspective, strengthened my competencies, and renewed my commitment to the cooperative movement.

The DE Programme was not merely a training, it was an immersive learning journey. The level of organization, discipline, and precision in execution was truly exceptional. Each day, from early morning to late evening, was meticulously structured, ensuring that every minute contributed meaningfully to learning and personal growth. The time management was remarkable almost mechanical in its efficiency, yet the environment remained highly human, engaging, and inspiring.

What made this programme unique was its experiential approach to learning. It went far beyond conventional lecture-based methods. Every session was carefully designed to ensure that participants not only understood the concepts intellectually but also internalized them emotionally and practically. Even after formal sessions ended, the learning continued through group discussions, assignment preparation, peer feedback, and idea-sharing. This continuous engagement created a dynamic learning environment where knowledge was not just delivered but co-created among participants.

The role of mentors and facilitators was equally commendable. Their dedication, professionalism, and attention to detail were truly inspiring. They closely observed each participant, provided constructive feedback, and guided us in refining our skills, particularly in presentation, communication, and critical thinking. What impressed me most was their focus on even the smallest aspects of our performance, ensuring that our learning translated into real behavioral change. The ice-breaking and recreational activities, often underestimated in many trainings, were in this programme deeply meaningful, thoughtfully designed, and instrumental in promoting self-awareness and team bonding.

One of the most valuable lessons I gained from this experience was the discipline of time management and purposeful engagement. The programme demonstrated that effective learning is not about the quantity of time spent but the quality and intentionality of that time. This realization has already begun to influence my professional approach, enhancing my productivity, focus, and commitment to excellence.

Equally profound was the opportunity to interact with participants from diverse countries, cultures, and professional backgrounds. Despite our differences, we quickly developed a strong sense of unity and mutual respect. There was no hesitation, no hierarchy, and no discrimination only a shared commitment to learning and collaboration. The environment fostered openness, trust, and genuine connection, making us feel like a global family. This cross-cultural interaction not only broadened my perspective but also reinforced the universal values of the cooperative movement equality, solidarity, and mutual support.

From a professional standpoint, the programme has significantly enhanced my confidence, especially in public speaking, presentation, and advocacy. The intensive practice sessions, combined with continuous feedback, helped me overcome previous limitations and develop a more structured, impactful, and audience-centered communication style. I now feel better equipped to contribute as a Development Educator, capable of inspiring, educating, and mobilizing individuals and communities within the cooperative sector.

-Based on the experiece of a DE participant

In the Room, In the Conversation

The Nepal Federation of Savings and Credit Cooperative Unions Ltd. (NEFSCUN) concluded the “SACCOS Summit 2082,” issuing a seven-point declaration in line with the broader goals of the International Year of Cooperatives 2025.

> ***SACCOS Summit Theme:***
> *Regulatory alignment and strategic elevation to ensure integrated movement*

The summit was held on 18 & 19 December 2025 in Lalitpur that saw the active participation from 800 representatives–including board members, audit committee members, and senior management staff–from cooperatives across 51 districts.

Participants of the summit, which focused on regulatory adaptation, agreed on seven commitments to guide their organizations in the right direction by ensuring internal monitoring and regulation in accordance with standards set by regulators and the cooperative movement.

The summit particularly called for a special law for financial cooperatives to ensure sustainable and secure institutions through collaboration between the cooperative movement and the government. Participants also committed to supporting government efforts by effectively implementing the Anti-Money Laundering Act.

Sessions	Topics
Session-1	Review of SACCOS Movement and Way Forward
Session-2	Regulatory Roadmap: Challenges and Opportunities towards Stable Institutional Transformation of SACCOS
Session-3	Legal Provision of Anti-Money Laundering and its Compliance
Session-4	Shifting Leadership for Rekindling Cooperative Values and Principles
Session-5	Self Regulatory Practices in Financial Cooperatives: Challenges and Way Forward
Session-6	Standardization Model for Financial Cooperatives
Session-7	Resource Mobilization in Financial Cooperatives (Nepal): Practices and Way Forward

Declaration of Commitment

1. We call for a special law deemed necessary by the cooperative movement for financial cooperatives, to build sustainable and secure institutions in collaboration with the government, while adapting our internal structures in line with changes brought by the existing legal environment.
2. We are committed to continuously supporting the government's efforts by effectively implementing existing laws governing savings and credit cooperatives, including the Anti-Money Laundering Act, which is currently a major focus of the Government of Nepal.
3. We are committed to institutionalizing achievements gained through visionary leadership in the savings and credit cooperative movement, and to addressing emerging challenges by embracing cooperative values and principles, prioritizing them in practice, and fostering value-based leadership through continuous learning.
4. We are committed to minimizing institutional risks by participating in the movement's self-regulation-based intensive supervision framework (SCAN) and stabilization fund, while regularly fulfilling regulatory requirements to strengthen risk management in the financial cooperative sector.
5. We are committed to promoting market creation, financial literacy and education, entrepreneurship development, and technical education for the effective and balanced mobilization of resources within the savings and credit cooperative movement.
6. We are committed to sharpen, smarten and standardize our operations by adopting policies, procedures, systems, and integrated technologies prescribed by the movement to ensure efficient and effective internal operations of savings and credit cooperatives.
7. We are committed to maintaining financial balance within the savings and credit cooperative movement and continuing improvements in global frameworks for central liquidity savings and specialized savings transactions, in order to build a sustainable and competitive movement.


NEFSCUN

Now **SACCOS** Can Call it a **Home**

After 37 years of its establishment, the Nepal Federation of Savings and Credit Cooperative Unions Ltd. (NEFSCUN) has eventually become able to own a building on its name. The SACCOS Building, the dream project of entire SACCOS community, got erected with the support from all corners and commitment from the community.

Built on 5900 sq.ft of land, the well-equipped five-storey building includes two assembly halls, with two floors designated for parking. The foundation stone, to build a new structure after demolition of the old one, was laid in 2020.

Nepal Rastra Bank Governor Professor Dr. Bishwanath Poudel inaugurated the newly constructed building amid a small but significant gathering on 3 March 2026 coinciding with 69th National Day of Cooperatives.

This was the first time that the officiating Governor of the central bank participated as the Chief Guest of NEFSCUN's program. NEFSCUN Chairman Chandra Prasad Dhakal described this as a historic moment. The Governor expressed his views on the role, contributions, and areas for improvement in the cooperative sector.

Governor Poudel urged cooperatives to work in uplifting the rural economy by increasing access to finance to underserved communities and the needy. 'Cooperatives should particularly target economically disadvantaged communities, helping them learn business skills and become self-reliant' Poudel remarked. The program was attended by various dignitaries of the movement.

SECURING MEMBER **SOVEREIGNTY**

The 34th Annual General Meeting of NEFSCUN concluded with a solidified message of tightening the nots and bolts of its network and putting protection of members' savings.

The biggest and the most important annual conglomeration of its members, regulators and stakeholders also saw the participation of other dignitaries from various walks of life.
Speakers were all praises of NEFSCUN for successfully organizing the annual general meeting and expressed support and solidarity in its diverse activities.

Their main concern was good governance, transparency and member-centric activities in the cooperative sector. They were confident that implementation of NEFSCUN's strategies in true spirit would help strengthen cooperative movement by institutionalizing the achievements and paving way for sustainable progress.

38th Foundation Day

A RED Letter Day

NEFSCUN marked its 38th Foundation Day (NEFSCUN Day) celebration nationwide on August 16, 2025. The celebration in Kathmandu was graced by the various dignitaries from the government and the fraternity. NEFSCUN unveiled a new theme 'Cooperation for Resilient SACCOS and Prosperous Society'. NEFSCUN announced the name of award recipients, including SACCOS and SACCOS personnel, in almost a dozen category for the fiscal year 2081/82 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.

Teaming **Up** With

People are stronger **together,** and that credit should **uplift,** not exploit.

The NEFSCUN, has been running FOUNDATION (ADHARSHILA) program since 2020. The Foundation of Credit Union for Development and Promotion (FOUNDATION) program has helped discipline and mainstream those primary cooperatives that have largely remained far off from continuous regulation, periodic monitoring and systematic scrutiny. The innovative program of cooperative and collaborative nature carries the objective of sustainable financial cooperatives via entrepreneurship in a partnership model with the local government bodies. This also strengthens the federation's close association with the government mechanism.

It helps in the institutional development, enrichment of financial access and strengthening network management, promoting good governance and building professionalization. The program, that runs on cost sharing model with the local government is being currently carried out in 5 municipalities. It measures the overall outcome of the program on various strategic areas on continuous basis.

NEFSCUN-DSIK Collaboration

The German Sparkassenstiftung for International Cooperation (DSIK) and the NEFSCUN are working in partnership to capacitate SACCOS, facilitate access to financial services for the population, and promote financial literacy. This collaboration, inked in 2024, encompasses strategic development initiatives aimed at strengthening the central federation in various aspects of the financial sector, including capacity building, promoting financial, institutional, and environmental sustainability, and pursuing sustainability objectives for (micro) financial institutions at the sector level.

Additionally, it entails the integration or enhancement of key financial themes such as Sustainable Finance, Digital Finance, and Entrepreneurship, as well as the development and expansion of skills among qualified personnel in the (micro) financial sector.

Micro Business Game

Micro Business Game (MBG) is also being conducted. It is an exciting, hands-on training designed to empower microentrepreneurs, again with the help from DSIK.

MBG is a highly interactive, experience-based simulation where participants manage a small fruit shop, make real-time decisions, and learn how to navigate business challenges. Through teamwork and competition, they gain fundamental of financial and marketing knowledge, entrepreneurial thinking and decision-making skills, insights into member relations and market dynamics. It also includes practical tools like cash flow management, sales forecasting, and budgeting, understanding of microfinance institutions and their role in business growth. This training transforms theory into practice, helping participants build confidence and competence to run sustainable micro and small enterprises fostering practical learning, and building confidence.

The trainers' commitment and energy have been instrumental in delivering high-quality sessions that empower local entrepreneurs and cooperative members with essential business literacy and marketing skills and participants also have demonstrated incredible enthusiasm and engagement.

Saving Games

Savings Game have been conducted in 15 various SACCOS from all corners which help the participants understand the basics of business such as inflation, safety and liquidity. The learner acquire knowledge of preparing household budget and other important components such as income and costs. They learn to define, manage and analyse personal and family budgets, obtain the ability to identify and manage current and future needs and wants as well as to plan and provide for potential current and future life risks, understand the purpose and benefits of savings, understand the differences between savings in a financial institution and other ways of saving, obtain the ability to identify and select a sound financial institution, etc.

Farmers Business Game

The Farmers Business Game training imparted to the NEFSCUN helps individual members of its affiliated SACCOS to enhance the entrepreneurial and financial competencies of their agricultural businesses by encouraging behavioural change through a realistic game environment, repetition, and peer exchange. By managing a farm throughout several game rounds, the participants learn to make informed decisions, balance risks and opportunities, and strengthen the economic sustainability of their agricultural activities. NEFSCUN is gradually passing it down to the member SACCOS.

The Training of Trainers (ToT) program for the Farmers Business Game (FBG) was held with technical support from the German Sparkassenstiftung for International Cooperation (DSIK), The Farmers Business Game, based on a "learning by doing" methodology, serves as a practical tool to help cooperative members engaged in agriculture transition toward professional and commercial farming. Using a simulation-based approach, the game enables participants to connect theoretical knowledge with real-life practices, teaching them how to effectively develop and grow agricultural businesses.

A total of 19 officers from NEFSCUN who completed the Training of Trainers will deliver a three-day Farmers Business Game training to farmers interested in pursuing commercial agriculture through cooperatives. The training was facilitated under the technical guidance of DSIK. It is expected that the training would serve as an effective tool to help cooperative-affiliated farmers transition from subsistence farming to commercial one.

Earning while Learning

The NEFSCUN and Aflatoun International (Netherlands) signed a partnership agreement on March 2024, to work together and empower youth across Nepal. The collaboration is for transforming education, advancing social and financial education.

The partnership has the objective to reach 50,000 students in secondary schools in the country, collaborating with local SACCO and cooperatives.

Under the Child Social Entrepreneurship and Financial Literacy Program, awareness-based knowledge on the theme “My Enterprise” was delivered to secondary levels students.Education always contributes to improving economic and social conditions in society and helps broaden the horizons of children and youth. In this context, NEFSCUN, with technical support from Aflatoun, has been implementing programs that include life skills, rights, gender awareness, entrepreneurship, savings, and future planning. This program not only enhances the relevance of school education but also clarifies the role of education in social transformation. It promotes the concept of “learning while earning” and encourages children from an early age to become self-reliant and independent through interactive and play-based learning.

NEFSCUN aims to expand this program to 100 schools. If small children require initial capital to start small enterprises, SACCOS will provide financial support. The program instils the realization that one should become entrepreneurial from an early age and that saving from now on is essential for the future.

During the training, children are given practical exposure and examples of enterprises related to industrial education, food science, office management, drawing, home science, woodworking, and similar fields. This helps them gain knowledge about

entrepreneurship for the future. The program is highly suitable for children as it nurtures a habit of saving, teaches methods and mindset, and provides hands-on practice.

Collaboration with **GIZ Nepal**

Entering an agreement with the GIZ Nepal was another achievement of the NEFSCUN in 2025. It was not simply because, the federation had inked the maiden collaboration with the German organization with a worldwide repute, but it marked a beginning of working together with such an acclaimed international organization for a common cause. We have affirmed our joint commitment to a partnership that will strengthen the provision of Business Development Services (BDS) to enterprises in Nepal. The primary goal of this collaboration is to strengthen the local ecosystem for enterprises by jointly designing, adapting, and implementing the GIZ-developed green and gender-transformative SME Business Training and Coaching Loop (SME Loop). This effort is aimed at strengthening NEFSCUN's institutional capacity and technical expertise to effectively support entrepreneurs via members by delivering high-quality business development services (BDS) that incorporate climate and gender considerations.

The Green Resilient Agricultural-Centred Private Sector Development (GRAPE 2) project promotes gender-transformative and climate-resilient economic development in Nepal. It links producers, entrepreneurs, buyers, distributors, associations, policy makers and other actors to create a vibrant entrepreneurial ecosystem for agriculture-centred private sector development. Together, we plan to create opportunities and sustainably improve people’s lives.

A total of 24 SACCOS (at least 3 to 4 members from each SACCOS) divided into 3 clusters will be assisted by 8 officials from the NEFSCUN mentored first by the GIZ in the process of preparing 105 model entrepreneurs within 18 months at the first stage as per the memorandum of understanding.

Cooperatives Altering Entrepreneurship as
Coopreneurship

The cooperative structure of credit unions creates a cycle of **mutual assistance** towards the common **goal** of the financial **well-being** of members. One member's **savings** becomes another member's loan.

The 69th National Day of Cooperatives directs all the cooperatives of the country to help materialize the dream of achieving financial self-sufficiency via promoting coopreneurship. Our nation needs a greater number of entrepreneurs, self-reliant, hard-working and employment generating citizens so that we can tackle the problem of trade deficit and increase self-sufficiency. Cooperatively run financial institutions have agile role and can become vehicles in this regard. Realizing this, the NEFSCUN, has launched Business Development Service (BDS) program since long.

The BDS program, commenced with the financial and technical assistance from the ACCU. Now, it is one of the strategic highlights of the NEFSCUN. In fact, coopreneurship is the strategic direction of the central federation. Through member SACCOS, it is promoting coopreneurship. And this program has been instrumental in helping uplift the socio-economic condition of the individual members (especially women, youth and financially handicapped communities) of its member SACCOS via imparting entrepreneurial skills and knowledge. It also narrows down gender gap and promotes inclusivity.

Business Development Service initiatives have taken shape with many SACCOS establishing BDS desks that provide one stop solution related to entrepreneurship. BDS helps ignite change and spark action among individual members of SACCOS to confidently start, grow, expand, or recover from their micro to mega entrepreneurial ventures. SACCOS impart counselling, capital and resources for small businesses with the BDS. The NEFSCUN supports the development of markets for Business Development Services, primarily through the capacity building of intermediary service deliverers but also through interventions to improve the way markets work. The NEFSCUN has developed considerable expertise, credibility, networks, tools and experiences that can assist governments, employers, workers and other development practitioners in their work.

Increasing market accessibility through equipping members with adequate training for their entrepreneurial ventures helps enhance productivity, quality, and sales turnover. For which, every kind of training and technical assistance is imparted through BDS desk under the guidance and directives from the NEFSCUN. It oversees, monitors and evaluate the assessment of the BDS indicators and continuously reviews it to increase effectivity. Currently, under the Business Development Service Program, agreements have been made with 24 cooperatives.

A **'Future Fund'** to Stabilize

The Stabilization fund for financial cooperatives is believed to weather sudden shocks and unexpected risks, helping SACCOS maintain stability during economic volatility. Its primary goal is to protect the savings of individual members by providing financial support to struggling SACCOS due to unforeseeable circumstances. It acts as a long-term reserve for the SACCOS movement, intended to remain a permanent fixture of the financial cooperative system. It can also be termed as a crisis management fund.

With the strong and stable government in office, it is expected to amend the Cooperative Regulation 2018 to enhance the effectiveness of the Fund and establish it as a universally accepted foundation for the sustainability and credibility of the savings and credit cooperative movement. To achieve this, the amendment must propose lowering the ceiling on the annual contribution required for the fund as per the suggestion from the NEFSCUN.

Under Rule 27 of the Cooperative Regulation 2075, concerning provisions for other funds, Sub-rule (1) states that at least 25% of net savings must be deposited into the reserve fund. Of the remaining amount (treated as 100%), at least 25% must be allocated to the protected capital refund fund, and 0.5% to the cooperative promotion fund. The remaining amount (again treated as 100%) must then be distributed by allocating at least 5% to various funds, including the Stabilization Fund.

Through the amendment, the government plans to reduce this 5% requirement to increase participation and ensure wider acceptance of the fund. Currently, 324 savings and credit cooperatives (SACCOS) have contributed to the fund, but only 25 have met the criteria and received participation certificates.The fund's operational procedures were revised, which helped accelerate its progress.

NEFSCUN has assured that all funds deposited are fully secure and will be used properly, emphasizing that misuse is unlikely due to government oversight and inclusive governance. As a result, more SACCOS are urged to participate in the fund to make the movement safer, more sustainable, and trustworthy. The Stabilization Fund acts as a "future fund" for savings and credit cooperatives.

History has it that, the NEFSCUN had initiated discussions on the need for a financial cooperative law and the Stabilization Fund based on recommendations from the Canadian Cooperative Association in 2008.

Following the procedural amendment, NEFSCUN has been able to strengthen its role and develop a risk supervision system for savings and credit cooperatives. It conducts risk supervision through a dedicated unit

Contribution: 324 SACCOS I Amount 267.88 million NPR I Stabilization Fund Certified SACCOS: 25

Preparing the Guard

The popular saying 'An ounce of performance is worth pounds of promises' is very apt for the management professionals of Nepali SACCOS movement. The professionals who oversee finances also have to be sensitive that they are put under constant scrutiny by the stakeholders. So, the only way to successfully come out triumph from all these surveillances is through honest and powerful performance.

In this context, it is imperative that the best management professionals in the business get involved in bettering their best though cooperative spirit hence ensuring the board that they are leaning against the right wall. Realizing this, NEFSUCN initiated the idea of NEFSCUN-SACCOS Managers' Club.

It is a cooperative conglomeration of crafted SACCOS managers' minds for the movement's common good that comes out through continuous deliberations and meaningful engagements. It is a technical platform of the outstanding managerial heads of SACCOS under the umbrella organization set up to work as a think tank of the Nepali SACCOS movement. It is an apolitical but technical forum that assists, suggests and recommends innovations in the business. The idea of the club is the result of a notion that credit unions must come together to cooperate and collaborate.

It has been operating as per NEFSCUN SACCOS Managers' Club Operation Procedure 2075 (2019). This practice of sharing and learning has been appreciated by the WOCCU and ACCU as well.

As per the procedure, every year the best manager awarded by NEFSCUN is appointed as the convener/coordinator of the Club where as the 7 best managers from 7 provinces, the manager of the best SACCOS, and the manager of the best women SACCOS and the former convener/coordinator complete the…member committee. An annual leadership handover, was completed this year.

The club, that has the responsibility of strengthening the SACCO movement, is believed to work diligently towards the direction contributing not only to the federation but to the broader cooperative movement as well.

Shivajee Sapkota (PhD)
Patron

Devraj Gyawali
Co-ordinator

Bhim Gurung
Member

Bibek Raj Thakuri
Member

Junusa Puri
Member

Binod Kumar Rajak
Member

Indra Ghimire
Member

Dambar Singh Basnet
Member

Prakash Baidya
Member

Chhatra Bahadur Thapa
Member

Durga Thagunna
Member

Supervisory **C**hecks & **A**nalysis for **N**avigation

Supervision • Support • Safety • Soundness

SCAN, an acronym for Supervisory Checks and Analysis for Navigation, is currently a buzz word in the SACCOS movement in Nepal. It is the latest initiative of the NEFSCUN that is aimed at continuous and timely assessment of various risks that a SACCOS possess. It helps protect the safety and soundness of the credit union system by identifying and helping manage various risks timely. It is a regular inspection and monitoring initiative conceptualized by the NEFSCUN implemented to ensure the safety and security of member savings and to manage multiple risks within financial cooperatives.

When the checks are done regularly, and corrected cautiously, risks are sure to be mitigated timely. It functions as a tool for both onsite inspection and off-site supervision. The program encourages uniform practices and financial discipline to prevent unexpected mishaps in the cooperative sector and establish financial prudence.

Supervisory Checks & Analysis for Navigation
SCAN
Supervision • Support • Safety • Soundness

Any SACCOS willing to participate must submit a formal application and enter into a contractual agreement with the NEFSCUN. The program is designed for SACCOS that are member organizations of NEFSCUN. Any SACCOS previously enrolled in NEFSCUN's any of the quality assurance programs is eligible to be enrolled in the SCAN.

The primary objective of the SCAN program is to ensure the security of member savings and to manage risks within financial cooperatives.

Purpose and Goals

Key goals:

- **Risk Management and Regulatory Compliance:** It ensures that SACCOS adhere to established financial standards and legal requirements. It helps mitigate operational and financial risks through effective management and oversight.
- **Institutional Strengthening:** It provides regular feedback and analysis to help SACCOS maintain sound financial health and good governance.
- **Performance Monitoring:** The program uses tools, techniques and internationally accepted measures to evaluate the overall performance of the SACCOS.
- **Capacity Building:** It helps improve the internal governance and control systems of member SACCOS.
- **Strengthening SACCOS:** It supports the overall goal of NEFSCUN to develop, promote, and strengthen its member organizations.

Risk Areas

- **Legal Risk:** Compliance with AML/CFT, tax, and audit laws.
- **Financial Health:** Capital adequacy, liquidity, and monthly reporting.
- **Credit & Operations Risk:** Managing non-performing loans and internal controls
- **Liquidity Risk:** It analyses liquidity averages and profiles.
- **Operation & Governance Risk:** It checks internal controls, strategic planning, and technology.
- **Market Risk:** It also evaluates growth rates of members and assets.

The evaluation is done on the basis of various indicators across several risk areas, including:

The "Traffic Light" Scoring System

SCAN uses a traffic light kind of scoring system (1 to 100) to categorize the risk levels of SACCOS.

- Not Significant risk <30
- Significant risk 30-50
- Suspicious risk 50-70
- Malignant risk >70

Intensive On-Site Supervision is being conducted at present.

Sustainability in Action

- Financial cooperatives have helped increase income by engaging poor and marginalized communities in employment opportunities, they have been encouraged to implement appropriate social security systems and measures for all at the national level.
- Gender-inclusive and participatory approaches have been adopted in increasing share membership.
- Equal rights of poor and vulnerable individuals over economic resources have been ensured, along with access to basic services and ownership, control over land and other forms of property inheritance.

1 NO POVERTY

- A total of 4,336 financial cooperatives have become economically self-reliant.
- Approximately 6.3 million members are continuously depositing savings in financial cooperatives.
- A total of 220,942 poor individuals have gained access to loans without the need for physical collateral.
- Financial cooperative initiatives have contributed to an increase in export trade by 0–1%.
- An estimated per capita annual income of approximately USD 2,074 has been generated.Bottom of Form
- Bottom of Form

2 ZERO HUNGER

- At least 60% of cooperative members are contributing to ensuring health and well-being for people of all ages.
- Financial cooperatives with balance sheets exceeding NPR.500 million ensured universal access to sexual and reproductive health services, while also integrating family planning information, education, and reproductive health into national strategies and programs.

3 GOOD HEALTH AND WELL-BEING

- All men and women have been supported in ensuring equal access to affordable and quality technical, vocational, and higher education.
- Member cooperatives have taken initiatives to ensure equal access to education for persons with disabilities, indigenous communities, and vulnerable children, as well as to eliminate gender inequality.
- The number of youths and adults acquiring technical and vocational skills necessary for employment, decent work, and entrepreneurship has increased significantly.
- A draft of the Financial Cooperative Act has been prepared and shared with savings and credit cooperatives, credit unions, cooperative banks, and other key stakeholders for feedback.

4 QUALITY EDUCATION

- 60% of members are continuously exercised of good governance audit system (CULEG).
- The practices of a regular member index auditing system of 60% of members of NEFSCUN are exercised/continued.
- 10% of members of NEFSCUN are enhanced/implemented to develop financial access program.
- At least 43% of women are involved/increased in managerial positions from NEFSCUN's members.
- At least 33% of women members of NEFSCUN are upgraded/ enhanced in a leadership position.

5 GENDER EQUALITY

- Signed agreement with Social Security Fund, Government of Nepal to apply social security system and labor act in cooperatives in Nepal.
- 80% of members of NEFSCUN participate in the Annual General Assembly whereas at least 60% of members of NEFSCUN are affiliated/participated in any of the quality-assurance program.

8 DECENT WORK AND ECONOMIC GROWTH

- 50% of the members of NEFSCUN have joined the risk-monitoring program and practiced good governance and 60% of the members are included in the quality assurance program through Rapid Risk Auditing System.

15 LIFE ON LAND

- The issues of saving and credit cooperative for amending Cooperative Act, 2074 to the Ministry of Land Management, Cooperative and Poverty Alleviation, Singhdurbar.
- Partnership with development agencies like; DSIK Germany, GIZ, AFLATOUN International and province level government.

17 PARTNERSHIPS FOR THE GOALS

MYRA

Digitalizing and Connecting Coopratives

Software as a Service (SaaS) based MYRA Enterprise Resource Planning (ERP) system is rapidly becoming the heartbeat of Nepal's co-op sector. More than just a software platform, MyraERP is a one-stop digital solution designed for the 21st-century cooperative, seamlessly blending digital transformation with enhanced, humane service. Spanning all 7 provinces and reaching 70 districts across Nepal in less than 3 years, the system has successfully onboarded over 750+ cooperatives. This robust ecosystem is setting a new benchmark for scalability and reliability in the market. Furthermore, 48 different legacy softwares have already been migrated to Myra, proving the industry's profound trust in this system's capabilities. Banking-Grade Security Meets Zero-Cost Scaling What drives this

70 Districts Covered	**750+** Cooperatives	**8 Lakhs+** Members
1.8 Lakhs+ Loan Accounts	**16 Lakhs+** Deposit Accounts	**48** Sofwares Migrated

mass adoption? It is a strict commitment to international security standards and cost-effective operational growth. As an ISO 27001:2022 certified company, Myra assures safe, secure, and sound transactions with the utmost reliability.

By offering zero cloud costs for DC, NDC, and DRC services , alongside free installation and free migration, Myra removes the traditional financial barriers to modernization. The platform covers every operational necessity from compliance-ready Member & Share Management, robust Core Banking Systems, audit-ready Accounting Management, and the MR Collector App, to comprehensive Loan Management, Inventory Management, Document Management, and modern Mobile Banking Apps.

Empowering Journalists

CoopLens: Aerial View of Cooperatives

NEFSCUN successfully organized an interactive program entitled 'CoopLens: Aerial View from Cooperatives' in Dhulikhel, Kavre in coordination with the Nepal Society of Cooperative Journalists' (CJN). The program was aimed at capacitating the journalists with the technical knowledge of the financial cooperative sector.

During the program, Chandra Prasad Dhakal, the Chairperson of the NEFSCUN stated that journalists shoulder the responsibility of bringing out the work carried out by the cooperative movement from a balanced perspective. Chairperson Dhakal expressed the view that the media plays a decisive role in either elevating or weakening the cooperative sector.

He noted that they are always prepared to undertake necessary reforms in the cooperative sector and are willing to collaborate with the media. Referring to recent developments, he said that the sector has been in the spotlight for reasons different from expectations, adding that certain provisions related to the Cooperative Act have become controversial. Chairperson Dhakal stated that the practice of introducing laws through ordinances, followed by replacement bills, has created complications.

According to him, the replacement bill has not adequately addressed the issues within the cooperative sector and appears to be primarily focused on the formation of a Cooperative Regulatory Authority. He alleged that the standards issued by the authority are attempting to hinder NEFSCUN's activities.

He added that reform within the cooperative sector is ongoing, with efforts focused on maintaining institutional good governance and improving the economic well-being of members. NEFSCUN, he said, remains committed to leading the savings and credit cooperative sector and making it more accountable and transparent.

At the programme, NEFSCUN's Chief Executive Officer Dr Shivajee Sapkota informed that media collaboration remains one of the priorities of the federation and has also been included in strategic planning. He requested the media to critical appreciate the works of NEFSCUN and the entire cooperative sector so that timely correction can be made. He stressed the need to view cooperatives beyond the micro level and highlighted its secured sustainability. He also informed the media personnel that financial cooperatives inherently involve risks, making internal governance, member relations, financial structure, operational systems, and leadership perspective crucial factors.

CJN members expressed confidence that the training would contribute to enhancing journalists' capacities. A total of 22 journalists from various media outlets participated in the programme.

NEFSCUN Chair in **ACCU** Board

Chandra Prasad Dhakal, the Chairperson of the Nepal Federation of Savings and Credit Cooperative Unions Ltd. (NEFSCUN), has been selected as Treasurer of the Asian Confederation of Credit Unions (ACCU), the regional umbrella organization of savings and credit cooperatives in Asia.

He was elected an alternate board member in ACCU's election held on 2 February 2026. After ACCU President Kim Yonsik resigned from the post completing his tenure at the National Credit Union Federation of Korea (NACUFOK), Dhakal got the opportunity to climb up assume the role of Treasurer.

As per ACCU's constitution, Major General Danukrit Kalampakorn of the Federation of Savings and Credit Cooperatives of Thailand (FSCT) was chosen the new President. The ACCU board altogether, consists of five members. During the 119th board meeting held in Bangkok, Thailand, President Kim Yonsik resigned and a new board was announced. The new board will serve until September 2026.

Meanwhile, NEFSCUN President Dhakal stated that ACCU, as the umbrella organization of Asian savings and credit cooperatives, carries a strong legacy and is closely connected with Nepal's SACCO movement. He expressed his commitment to contributing to the global expansion of Nepal's cooperative movement through his role on the ACCU board.

Dhakal said, "The time is short, but I will strive, to the best of my ability, to create more opportunities for Nepal's SACCO movement. I will work to ensure that Nepal's cooperative sector benefits as much as possible from this opportunity." He also shared plans to work on improving relations and promoting mutual interests between NEFSCUN and federations of other Asian countries alongside fulfilling his responsibilities as Treasurer.

NEFSCUN Represents CO-OP KUMBH 2025

NEFSCUN made its presence felt at the Co-op Kumbh in the Indian Capital that was as one of the most influential international platforms of the year that marked the IYC 2025.

A two-day International Conference of the Urban Cooperative Credit Sector – Co-op Kumbh 2025, aimed at high-level discussions on the future of the urban cooperative credit sector, digitalization, and international collaboration, was successfully held on November 11, 2025, at the prestigious Vigyan Bhawan in New Delhi, India, under the chairmanship of NAFCUB President Lakshmi Das.

The conference, organized under the theme "Digitalising Dreams – Empowering Communities." was jointly inaugurated by India's Minister of State Krishna Pal, Karnataka Government Minister H.K. Patil, and Secretary Dr. Ashish Kumar.

The program was organized by the National Federation of Urban Cooperative Banks and Credit Societies Ltd. (NAFCUB), which represents more than 1,600 urban cooperative banks and over 50,000 cooperative credit societies across India.

69th National Day of Cooperatives

Entrepreneurship & Transparency: Priorities of Cooperatives

The 69th National Day of Cooperatives was celebrated in Nepal on 3 March 2026 under the theme 'Entrepreneurship and Transparency: Priorities of Cooperatives.'

The 228th board meeting of the National Cooperative Federation of Nepal had set the theme with the goal of making the cooperative sector more production-oriented, accountable, and trustworthy.

As incidences of financial irregularities and weak governance have raised questions about the credibility of the cooperative sector, the theme underscores the need for transparent affairs with focus on shifting the members of cooperatives towards entrepreneurship.

It was believed that transparency should not remain merely a matter of declaration but must become a fundamental basis for institutional reform, during various interactions, rallies, deliberations held in different parts of the nation. Likewise, it was sought that cooperative entrepreneurship should link to members' production, employment, and market expansion not a greater focus on expanding financial transactions leaving aside member-centric programs.

Against this backdrop, stakeholders pointed out that to make the Cooperative Day theme meaningful, a clear action plan, measurable targets, and a strong self-regulation system are essential.

The National Day of Cooperatives is observed every year on Chaitra 20 as per Nepali calendar, commemorating the historic day in 2013 B.S. (1956 A.D.) when the cooperative movement was formally launched in Nepal with the establishment of Bakhan cooperative in Chitwan district.

Prosperous and Self-Reliant Cooperative through Cooperation

CUDFON, a national-level non-profit organization established 14 years ago with the objective of playing a motivational role in strengthening Nepal's savings and credit cooperative movement, under the guidance and supervision of the NEFSCUN, has opened its membership to all SACCO personnel.

The 15th Annual General Meeting of CUDFON, held in Kathmandu on 25 November 2025, approved amendments to its regulations, expanding its scope to allow all SACCO workers to become members. CUDFON, formed in 2011, is the abbreviated and commonly used name for the Credit Union Development Foundation of Nepal.

The annual general meeting was held at the newly constructed building of the NEFSCUN. With the goal of revitalizing CUDFON and broadening its reach, the general assembly decided to open lifetime membership to members and employees within Nepal's savings and credit cooperative movement. Chairperson Basnet also informed that it plans to organize programs on contemporary issues of the SACCOS movement in different provinces.

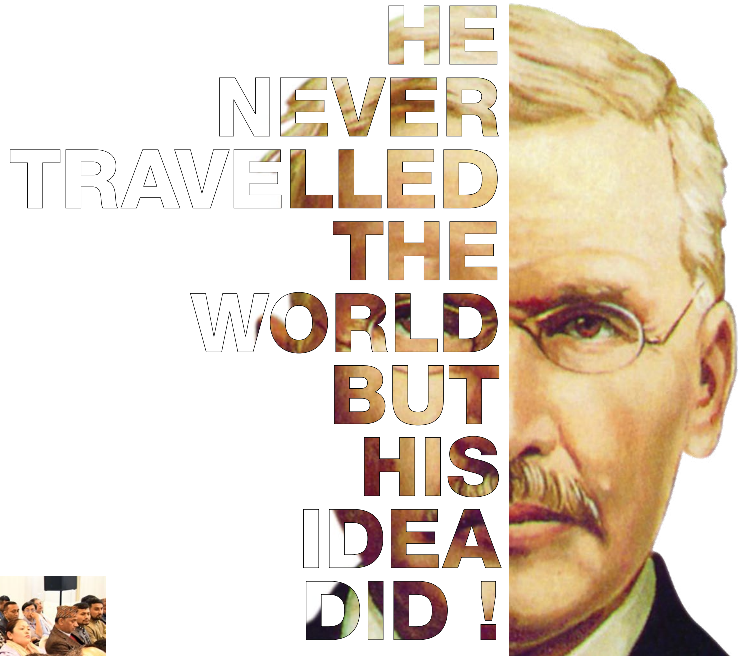
The assembly also amended previous provisions that limited membership to NEFSCUN's board members, audit supervision committee officials, chief executive officer, and former officials. The revised provision now allows current and former board members, audit supervision committee members, management heads, as well as shareholders and employees of savings and credit cooperative unions/institutions to become members.

Currently, CUDFON has 30 lifetime members. The general assembly expanded the executive committee from 7 to 9 members, including one woman. With the broader membership base, five additional members have been included in the committee. The structure now includes a Chairperson, Vice-Chairperson, Secretary, Treasurer, and five members.

Similarly, the tenure of the executive committee has been extended from 2 years to 3 years. Chairperson Basnet explained that a two-year term was too short and that extending it would allow elected officials to prepare and implement at least a three-year strategic plan effectively.

The assembly also decided to subscribe honorary membership to individuals from NEFSCUN's past and present board and audit supervisory committee who have reached the age of 75. The general assembly also discussed and approved the annual audit report for the fiscal year 2081/082. Likewise, the financial report was discussed and approved.

Raiffeisen Remembered Every Second



NEFSCUN celebrated the 208th birthday of Friedrich Wilhelm Raiffeisen organizing a consultative workshop on strengthening regular inspection and monitoring in the changed legal environment. The workshop, organized at Bagmati, Gandaki and Lumbini province, was a good merge of Raiffeisen philosophy and its practical implication in the present context. It was a befitting moment to reflect on the lasting legacy of the cooperative reformer and how his ground-breaking principles of self-help, self-responsibility, and self-administration be translated into serving members. For the NEFSCUN-mentored financial cooperatives Raiffeisen's principles remain the foundation of their shared mission.

The speakers highlighted that financial cooperatives should be operated following the roadmap shown by Raiffeisen, focusing on the growth, development, and sustainability of savings and credit cooperatives. They remarked that Raiffeisen's principles have become the cornerstone of the cooperative movement and continue to guide diverse economic, social, and cultural activities across the globe.

The elsewhere practice of operating cooperatives as community-based should be followed in Nepal as well discarding the ill-intention of turning them into profit-driven entities, leading to widespread problems and affecting even well-functioning cooperatives.

Also, concerns were raised on growing problems in cooperatives and the speakers stressed the need to address them by complying with government policies and regulations in the changing political context.

Cooperation For A Prosperous World

The Nepali financial credit unit community celebrated the 77th International Credit Union Day 2025, celebrated under the slogan "Cooperation for a Prosperous World." The Nepal Federation of Savings and Credit Cooperative Unions Ltd. (NEFSCUN) led the celebration organizing various week-long programs. The day was observed with a commitment to guiding the world toward prosperity through financial cooperatives. NEFSCUN celebrated ICU Day across

the country by organizing programs such as SACCO Risk Management 360 Workshop, micro-enterprise game training, capital adequacy analysis sessions, and women entrepreneurs' motivation seminars, etc.

The credit unions round the world- along with our global umbrella organization, the World Council of Credit Unions (WOCCU)-celebrated the ICU Day highlighting the role of the financial cooperative movement in achieving global prosperity through cooperation, unity, and mutual support.

The day is observed on the third Thursday of every October. Accordingly, it was celebrated worldwide this year on October 16, 2025. The theme conveyed the message that economic prosperity can be achieved through collaboration, partnerships, and mutual support among credit unions worldwide.

ICU Day is the biggest global celebration of financial cooperatives. It serves as a shared festival for financial cooperatives across the world. It is celebrated with activities such as competitions, awareness programs, social initiatives, educational events, and volunteer work organized by savings and credit cooperative institutions globally. This year as well, it was observed in the similar fashion.

The day is considered to contribute to strengthening the cooperative movement and reinforcing a member-centered financial system worldwide. According to published data, the global credit union movement now serves over 411 million members through more than 74,000 credit unions in 104 countries, demonstrating a strong commitment to members and communities around the world.

At the global stage, World Council of Credit Unions (WOCCU) and Worldwide Foundation for Credit Unions (WFCU) celebrated the ICU Day. With the United Nations declaring 2025 the International Year of Cooperatives under the theme "Cooperatives Build a Better World", WOCCU and WFCU sought to build on that concept with an ICU Day theme that emphasizes how credit unions help people across the globe achieve more prosperity and well-being through cooperative finance.

More than 74,000 credit unions and other cooperative financial institutions bring financial inclusion and a promising future to more than 411 million members worldwide. Since the first celebration in 1948, ICU Day has been a chance to spotlight and celebrate our achievements as a global movement.

Dr. Yadav Re-elected Unopposed ICA-AP President

Dr. Chandra Pal Singh Yadav has secured unanimous re-election as President of the International Cooperative Alliance–Asia Pacific (ICA-AP). The election, held during the 17th ICA-AP Regional Assembly in Colombo, Sri Lanka, reaffirmed the strong confidence of member nations.

Dr. Yadav emphasized that the achievement belongs to grassroots farmers, workers, artisans, and cooperators who uphold unity to unlock the region's cooperative potential.

His distinguished career includes serving as Chairman of KRIBHCO, President of the National Cooperative Union of India (NCUI), Vice President of ICA-AP (2010–2021), Member of Parliament (Rajya Sabha & Lok Sabha), MLA, and holding board positions in NCCF, NAFED, and the International Raiffeisen Union (Germany)

IYC in Every 10 Years

The United Nations General Assembly has adopted a resolution recognising the vital role of cooperatives in promoting inclusive economic and social development worldwide. Following the success of the International Years of Cooperatives in 2012 and 2025, the resolution "calls for the proclamation of an International Year of Cooperatives every 10 years to encourage effective leveraging of the cooperative enterprise model to advance social and economic development".

The resolution A/RES/80/182 was adopted on 15 December 2025. Cooperatives, in their diverse forms, "promote the fullest possible participation in the economic and social development of local communities and all people," says the resolution, and contribute directly to poverty and hunger eradication, social inclusion, gender equality, and climate change adaptation and mitigation.

The text highlights cooperatives' specific contributions to the 17 Sustainable Development Goals (SDGs), particularly improving the social and economic conditions of Indigenous Peoples, rural communities, and vulnerable populations, while promoting financial inclusion and local economic development.

Following the success of the 2025 International Year of Cooperatives (IYC), the UN resolution calls for governments to strengthen support for cooperatives through:

Improved legal and regulatory frameworks
Enhanced access to capital and fair taxation
Support for agricultural and financial cooperatives
Expanded digital access

Strengthened research, data collection, and public awareness
Promotion of gender equality in participation and leadership.

The resolution further calls on Governments, relevant international organisations, specialised agencies, and local, national, and international cooperative organisations to continue observing the International Day of Cooperatives (CoopsDay) annually, on the first Saturday of July, as proclaimed by the General Assembly in its resolution 47/90.

The UN has long acknowledged the cooperative movement as a key partner in enhancing social development, and the model as suited to achieve the SDGs. The UN General Assembly has been adopting resolutions concerning cooperatives in social development since the 1950s and systematically every two years since 1992.

Money Makes it **Go**

Learn. Save. Earn.

Under the theme 'Smart Money Talks' to encourage savers of all age groups, the SACCOS community organized various awareness programs throughout the nation to mark Global Money Week campaign held every March to promote financial literacy, inclusion, and resilience among children and youths.

Coordinated by the OECD, it features events like "Smart Money Talks" to teach skills in saving, earning, and managing money. Since few years, importance of Global Money Week has been sincerely acknowledged by the cooperative sector and has been included in their working calendar as one of the important programs.

Financial literacy programs targeted at educational institutions were conducted at various locations which helped the SACCOS reach out to younger generations and also the youths realize the value of savings and investment. These programs had the following objectives:

Developing Financial Literacy:

The initiative aims to inculcate a culture of saving and prudent investment, especially in a country with limited formal financial education in schools.

Digital Financial Inclusion & Security:

With the rapid expansion of digital payments, GMW2026 focuses on the safe use of digital financial services, understanding digital banking, and preventing fraud.

Long-term Wealth Generation:

It educates participants on how to manage personal finances, plan for the future, and understand investments, which is crucial for economic resilience.

Promoting "Learn, Save, Earn":

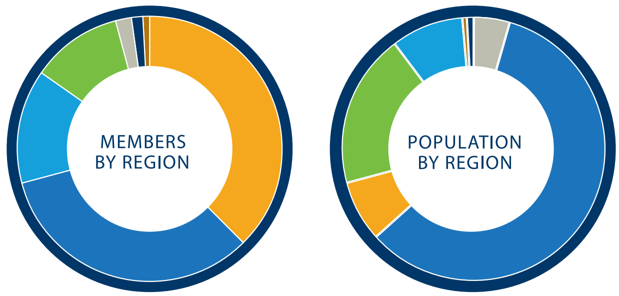
The permanent GMW theme remains a cornerstone, aiming to teach youth to save money, earn wisely, and understand the value of money.

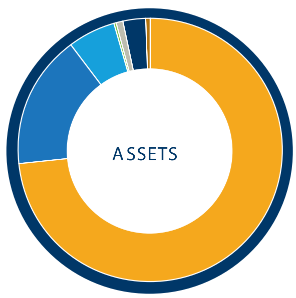
The young savers of SACCOS now speak openly about money, learn essential financial skills, and build confidence for their future, breaking the taboo surrounding money conversations.

World Council

GLOBAL TRENDS

These charts show where the greatest concentration of credit union members and assets are worldwide.





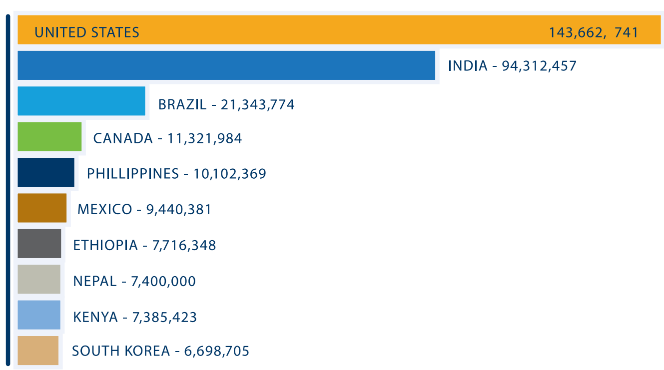
5% OF PEOPLE ON EARTH

ARE CREDIT UNION MEMBERS

WE SERVE 12%

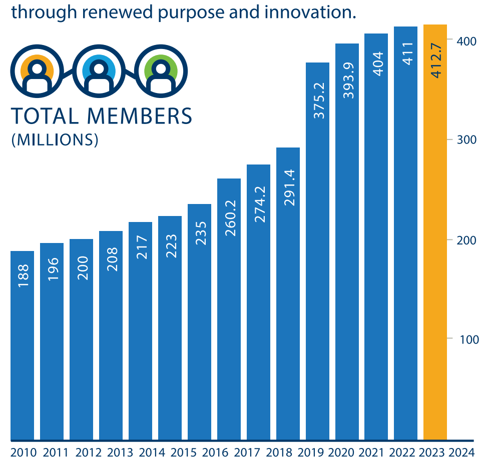
OF THE GLOBAL LABOR FORCE

TOP 10 LARGEST SYSTEMS



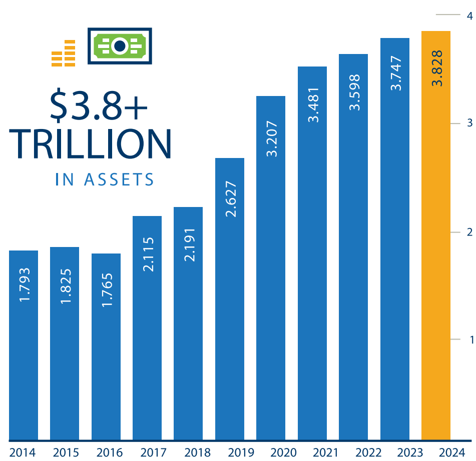
MEMBERSHIP

While membership growth has tempered after years of remarkable expansion, credit unions are poised to build on their achievements and expand inclusion through renewed purpose and innovation.



ASSET GROWTH

While the pace of asset growth has eased, the upward trend reflects continued confidence in the cooperative model and its long-term stability.



OUR GOVERNANCE

We are owned by our members who are all co-operative organisations or organisations which support co-operatives and co-operation. We operate for their benefit and the ownership and control of NEFSCUN lies with our members. Member participation extends beyond voting at the AGM. Our members engage and provide direction in a number of ways, including submitting resolutions to the AGM, standing in or nominating candidates to stand in elections to the Board, participating in member groups that bring together co-operative expertise and help shape our strategic priorities, responding to consultations enabling us to represent member views to policy makers, attending our flagship events and networking with colleagues from across the movement, sharing coop stories and joining conversations on social media, providing feedback through member surveys, joining our campaigns and helping us to promote the financial co-operative model and accessing our specialist advice services, etc.

Our bylaws are the basis of our governance and decision-making processes which permeate across our policies and procedures. Our bylaws set out the powers and responsibilities of our members and our Board of Directors. The Board of Directors makes key decisions and approves policies, set our strategic direction and holds the Chief Executive and Leadership Team to account for performance against strategic plans, budgets as well as providing guidance and direction. Our Board is made up of 19 individuals who are elected by our members. The Board's structure brings together knowledge and representation from across the movement. Directors serve four-year terms of office for a maximum of eight years. New directors receive a detailed induction outlining the role of the Board, the duties of directors, our governance structure, policies and the NEFSCUN as a federation.

A Board skills register is maintained and directors undertake ongoing learning and development through regular workshops and deep dives on a variety of subject matters relevant to their roles and the organisation. The Board completes an annual evaluation of its effectiveness and that of its subcommittees. Our Board is supported by a three-member Audit Supervisory Committee, and number of sub committees.

Directors receive a full and thorough induction upon appointment. Workshops and training sessions are planned throughout the year to address training and development needs identified. We also schedule workshops and deep dives after or in between Board meetings on specific topics. While it is desirable for all directors to attend these sessions, it is not mandatory. Our directors do, however, endeavour to prioritise the training opportunities offered. Our Board has its Code of Conduct which all the members are required to adhere to. The Code of Conduct sets out the expected behaviours of our directors during their term of office.

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 Bhote** Board Member	

Account Supervisory Committee

Mr. Indraraj Jyoti Poudel ASC Coordinator	**Mr. Hemraj Bista** ASC Member	**Ms. Durga Tiwari Sanjel** ASC Member

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

Statement of Financial Position

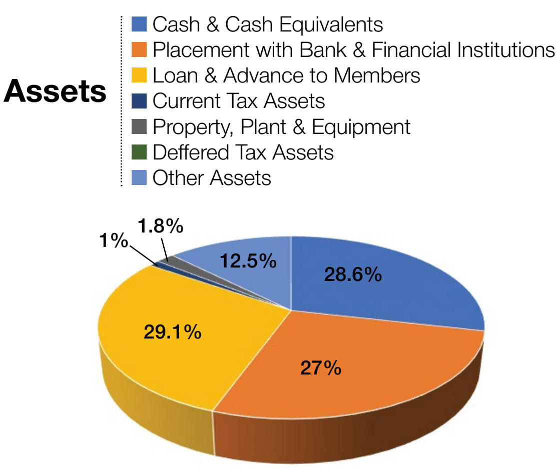
2024/25

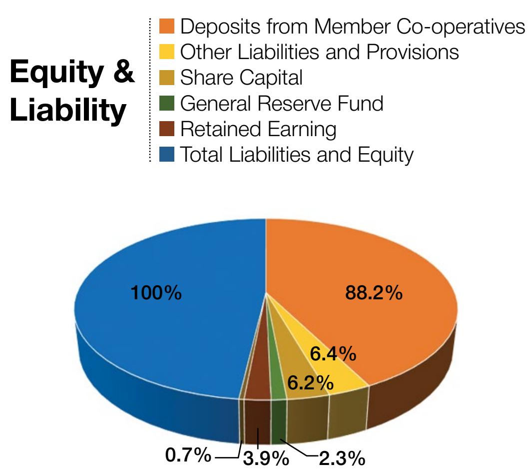
Amount in NPR

Particulars	Note	As on July 2025	As on July 2024
Assets			
Cash and Cash Equivalents	4.1	6,69,19,26,336	7,77,79,94,833
Placement with Bank and Financial Institutions	4.2	6,31,35,00,000	8,50,64,65,000
Derivative Financial Instruments	4.3	-	-
Loans and Advances to Member Co-operatives	4.4	6,80,87,67,969	9,80,63,26,359
Loans and Advances to Staff	4.5	5,05,21,389	6,73,05,166
Investment Securities	4.6	23,11,000	23,11,000
Current Tax Assets	4.7	25,12,60,644	30,62,32,642
Investment Property	4.8	2,31,43,62,219	66,63,60,862
Property, Plant and Equipment	4.9	42,39,50,499	37,02,15,017
Right of Use Assets	4.10	5,60,47,651	6,89,77,158
Goodwill and Intangible Assets	4.11	4,93,31,540	4,89,60,273
Deferred Tax Assets	4.12	35,49,94,307	-
Other Assets	4.13	9,70,74,534	11,31,87,827
Total Assets		**23,41,40,48,088**	**27,73,43,36,137**

Particulars	Note	As on July 2025	As on July 2024
Liabilities			
Deposits from Member Co-operatives	4.14	20,65,20,88,443	25,17,73,14,760
Borrowings	4.15	-	-
Provision for Employee Benefits	4.16	7,04,91,600	6,77,54,601
Deferred Tax Liabilities	4.12	-	1,44,96,820
Deferred Grant Income	4.17	3,46,338	3,84,821
Lease Liabilities	4.10	6,86,37,466	7,77,22,652
Grant Liabilities	4.18	9,23,073	65,210
Other Liabilities & Provisions	4.19	1,35,76,36,446	13,02,81,267
Total Liabilities		**22,15,01,23,366**	**25,46,80,20,131**
Equity			
Share Capital	4.20	1,46,18,26,300	1,55,82,16,100
General Reserve Fund	4.21	53,54,06,033	43,88,47,132
Patronage Refund Reserve		-	2,41,39,725
Other Statutory Reserves	4.22	7,83,72,314	15,00,72,126
Revaluation Reserve	4.23	7,78,41,158	7,78,41,158
Retained Earnings		(90,59,36,484)	-
Other Reserves and Funds	4.24	1,64,15,401	1,71,99,765
Total Equity		**1,26,39,24,722**	**2,26,63,16,006**
Total Liabilities and Equity		**23,41,40,48,088**	**27,73,43,36,137**

N.A.R.S Associates, Chartered Accountants





Solutions for Members

A resource-rich web portal dedicated to members has been launched lately. The integrated portal **www.nefscun.org.np/SACCOS-resources/** encompasses wide range of resources to cater the needs of member affiliates. The resources capacitate members and the portal is handy to use.

The virtual learning platform has the objective of enhancing users with a to z of cooperative operation from the perspective of the Board and the Management thereby strengthening institutional development and and improve the quality-of-service delivery.

The user-friendly portal includes training materials, resources required for study and teaching, practical guideline materials, as well as various tools and templates useful for the users.

This initiative is expected to make it easier for cooperatives in their daily operations, management proficiency, policy implementation, and service expansion. It is also anticipated that access to knowledge and resources will expand through a technology-friendly platform, thereby enhancing the overall professionalism and competitiveness of the cooperative sector.

Cooperation for
Resilient SACCOS

&

Prosperous **Society**

With the belief that government laws and policies should be facilitative-focused on effective supervision, support, and long-term sustainability of the sector rather than being restrictive and control-oriented NEFSCUN will continue its advocacy efforts. It expresses its commitment to leading the development of a sustainable and secure financial structure across member institutions through collaboration and integrated strategies, in line with the vision of safe SACCOs and a prosperous society.

It also commits to taking result-oriented steps by prioritizing the use of advanced digital technologies, strengthening risk management systems, enhancing cooperation among cooperatives, and advocating for policies to establish and operate a central liquidity fund to support member institutions.

With objectives such as raising awareness about the sector's contribution to sustainable development, promoting cooperative growth, advocating for a supportive legal and policy environment, and encouraging youth participation and leadership-the federation expresses its best wishes that it will further strengthen the movement through continued collaboration among all stakeholders in the future.

NEFSCUN

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

Minbhawan, Kathmandu, Nepal
Tel: +977-1-4791963, 4790201, Email: nefscun@nefscun.org.np
Website: www.nefscun.org.np