



**SELF-REGULATION TO NATIONAL  
RESERVE FUND**  
*An experience of managing credit unions...*

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**SHIVAJEE SAPKOTA**  
**CHIEF EXECUTIVE OFFICER, NEFFSCUN**

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**LEGISLATION : 1991 then now**  
Cooperative Act and Regulation  
2017/2019.. recently promulgated...




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## COOPERATIVE HISTORY



Nepal has a long history of informal community based co-operatives

Informal groups provided a forum to work together for smoothly functioning various socio cultural practices.

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Some technical persons from ACCU and USC Canada motivated leaders to initiate the federation



In August 16, 1988, the **Nepal Federation of Savings and Credit Cooperative Unions (NEFSCUN)** was formed

**In 1993, NEFSCUN formally registered.**

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Our Concept...

• **COOPERATIVES**



**COOP**  
International  
Co-operative  
Alliance

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Credit unions help people improve  
lives  
Helping people help themselves...

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## Source

- For philosophy
- Image



**Why difference with other business???**

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## Source

- For tools
- techniques
- Marketing



**How we can be sustainable ourselves  
and can provide sustainable solution to  
the members..**

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## Cooperatives in Nepal

35,000 Total Coops

14,000 Savings and Credit




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NEPAL  
FEDERATION OF  
SAVING AND  
CREDIT CO-OPERATIVES  
UNIONS LTD.



NEFSCUN

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## NEFSCUN

**National apex body of savings and credit co-operatives and district unions, established in 1988.**

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## CURRENT OUTREACH

**8500** SACCOS members  
 Direct Members **3800** Through DUs **4700**

**76/77** districts coverage

more than **2600,000** individual members affiliated.

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## FINANCIAL STATUS

- Total Share Capital 4.90M US\$
- Total Savings 100 M US\$
- Total Loan Investment 76 M US\$
- NEFSCUN Assets 120 M US\$
- OFFICE OUTLETS 26 Locations
- TOTAL EMPLOYEES 160

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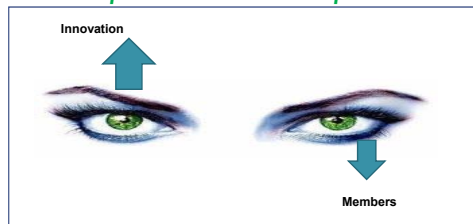
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## VISION

*"Integrated and Sustainable Savings and Credit  
 Cooperative Societies in Nepal "*




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**DIRECTION :**

- **PROMOTION** : 1988
- **DEVELOPMENT** : 1994
- **PROFESSIONALIZATION** : 1998
- **QUALITY ASSURANCE** : 2007
- **NETWORK MANAGEMENT** : 2014

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## Quality Assurance-Branding

- **ACCESS** : Intensive monitoring for CU's performance management and Quality Assurance. *24 SACCOS received Brands : 8 Silver and 16 Bronze for Asian Standard*
- **PROBATION** : National Brand of quality assurance : *25 SACCOS received National Brand of Nepal*

**800 SACCOS are in Quality Assurance Program**

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## SPECIAL INITIATION

- **PEARLS MONITORING SYSTEM ADOPTED : 1998**
- **SELF-REGULATION ADOPTED : 2008**
- **ACCESS ENROLMENT : 2007**
- **CREDIT UNION ACT PREPARED : 2010**
- **GOOD GOVERNANCE FRAMEWORK : 2010**
- **UNIFIED NETWORK PROMOTION : 2014**

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## INTEGRATION FOR PROTECTING MEMBERS MONEY

- **SHARED RESOURCES :**
  - CENTRAL FINANCE FACILITY, SHARED TECHNOLOGY (UNDER DEVELOPMENT)
  - COMMON RESOURCES FOR EDUCATION TO MEMBER
  - COMMON IMAGE AND LOGO
  - 6 COMMON MANDATORY POLICIES T UNIONS




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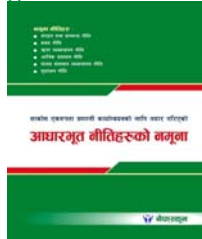
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## POLICIES :

- GENERAL ORGANIZATIONAL
- HUMAN RESOURCE MANAGEMENT
- SAVINGS MOBILIZATION
- LOAN MANAGEMENT
- FINANCIAL MANAGEMENT
- GOOD GOVERNANCE



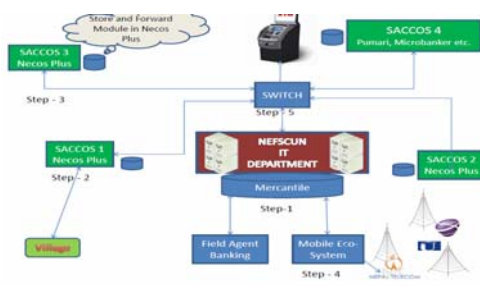
## SAME CHART OF ACCOUNTS

- Same chart of accounts and accounting policy for the SACCOS.



Wednesday, October 2, 2019

## SINGLE IT SYSTEM



Wednesday, October 2, 2019

24



- Compulsory in Risk Monitoring**
- Compulsory Risk Based Supervision with the collaboration of the government.




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### CONTRACTUAL SOLIDARITY

- Developed membership application form with contractual agreement to follow the rule of NEFSCUN.




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### SUPERVISION

- **800 SACCOS**
- **13 District Unions**



With 50 Measurable Indicators of National Brand, 75 indicators of Risk Based Supervision and 86 Indicators of ACCESS, we are supervising,

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### USE OF SAME LOGO OF FEDERATION

- Compulsory usage of NEFSCUN logo as the logo of solidarity of SACCOS movement.



Wednesday, October 2, 2019

### Same visual board



### Same visual board



### Same visual board




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### REGULATORY INITIATIVES

- PROCEDURAL WORKS ON STABILIZATION FUND
- LOBBYING WITH THE GOVERNMENT FOR SINGLE IT SYSTEM TO CONNECT EVERY CREDIT UNIONS
- DEPOSIT GUARANTEE FUND
- PROCEDURAL WORKS ON CREDIT INFORMATION CENTER
- LOBBYING WITH THE GOVERNMENT TO DIGITIZATION OF CREDIT UNIONS SERVICES

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### STABILIZATION FUND FOR NOW

- New Coops Act has provision of establishing Stabilization Fund in NEFSCUN.
- The Fund will be used for regular monitoring of credit unions to protect image.
- Some prudential norms are set to participate into this fund, because it is a protection scheme too.




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NOW WE ARE IN THE STAGE OF SELF-GOVERNANCE TO STABILIZATION OF CREDIT UNION MOVEMENT TO PROTECT THE MEMBERS MONEY...




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**Thank you for listening  
me....**

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