



NATCCO NETWORK

# MANAGEMENT REPORT

WAYFORWARD:  
INTEGRATION OF  
COOPERATIVE  
NETWORK

JUNE 2016



## HON. SENATOR “KIKO“ FRANCIS PANGILINAN INDUCTS THE 2016-2017 BODs AND OFFICERS AT OATH-TAKING CEREMONY

HON. Senator Francis Pangilinan (7th from left, Top Row) led the Oath Taking of the members of the NATCCO Network Board of Directors and Officers. Sen. Pangilinan congratulated the officers and urged them to continue leading the organization to greater heights toward achieving its Mission and Vision.

The NATCCO Network Managers' Club elected its officers: President, Ms. Lalaine Gepaya of Panabo MPC; Vice-President, Ms. Ma. Cristina B. Naigan of St. Martin of Tours Credit & Development Cooperative; Secretary, Felimon Espares of Barbaza Multipurpose Cooperative; Treasurer, Romeo Magdaong of Red Ribbon MPC and Auditor, Ms. Juris Perez of Tagum Cooperative. The Club also assigned regional representatives and submitted a request to the NATCCO Board of Directors to ensure support from the whole network.



# 1<sup>ST</sup> HR AND MANAGERS' FORUM IN TAGAYTAY

The first ever HR and Managers' Forum was held at Hotel Kimberly in Tagaytay City on June 22-23, with 166 participants representing 76 cooperatives nationwide. The much-appreciated HR topics included *Creating High Performing Workforce*, *Job Evaluation*, and *HR Information System*.

The forum was highlighted with the launching of the study on cooperative CEOs/managers' compensation package by Dr. Laarni Baluyot, the president of Olive Branch Group. The latter was commissioned by NATCCO to conduct the survey, as a result of the talks at the Managers' Forum in July 2015.



## NATCCO STRATEGIC PLANNING 2016: “GEARING TOWARDS INTEGRATION OF THE COOPERATIVE NETWORK FOR THE NEXT FIVE YEARS”



Officers, Management and staff of the NATCCO Network held a 2-day Strategic Planning session on June 24-25 in Tagaytay City, facilitated by ACCU CEO Elenita San Roque and Chief Technical Officer Ranjith Hettiarachi. The Golden Strategic Plan will be launched during the 2017 Ruby Celebration. It is the first time that ACCU handled the planning of NATCCO.



## CONSULTANCY CONDUCTED SHARING OF BEST PRACTICES NATIONWIDE

For three years now, the Consultancy Unit of the Education, Training and Consultancy Group has conducted the Sharing of Best Practices. For the Mindanao schedule, Tagum Cooperative hosted the event on June 10-11, that was participated by 10 Cooperatives: MSU-IIT MPC, King Coop, MEMPCO, Paglaum MPC, Oro Integrated Cooperative, Panabo MPC, ANTRECCO, Sta. Catalina Credit Cooperative, SAMULCO and Tagum Cooperative. Lamac MPC hosted the Visayas sharing of best practices meeting on June 17-18. Coops present were: Holy Child MPC, Omaganhan Farmers MPC, Buenavista MPC, Pandan MPC, PACEMCO, PHCCI-Tacloban and Lamac MPC.

The Luzon schedule on June 28-29 was held at the NATCCO Gaithe Conference Room. The event was graced by the presence of 10 Cooperatives: NEC MPC, Labo Progressive MPC, SACDECO, Sacred Heart Savings Cooperative, Bukluran MPC, Bagong Silang 2 MPC, Tayabas Community Multipurpose Cooperative, St. Vincent Ferrer Parish MPC, IC-DEC, St. Martin of Tours CDC. NEC MPC shared its Team Management practices that led to a dramatic turnaround.

In both events, Mr. Jun Defensor of the Cooperative Development Authority presented on Financial Inclusion. In these events, key cooperatives shared their best practices and/or rising from a specific challenge, coupled with workshops on selected items.





## NATCCO AND PLANET FINANCE-JAPAN PROJECT IN REGION 8

On June 6 to 17, NATCCO and Planet Finance-Japan, with support from the Japan International Cooperation Agency (JICA) held the *Strategic Realignment and Management Workshop*. The activity aims to verify the validity of an existing strategy of the co-ops, initiated a preliminary high-level strategic management process, developed an initial strategy map and Balanced Scorecard, and introduced action steps to improve the initial strategy map. Both Fatima Multipurpose Cooperative and Bontoc Multipurpose Cooperative enthusiastically contributed extensively to come up with a solid output related to the direction of their institutions. The workshop is an essential component in institutionalizing Social Performance Management in co-operatives.

### FATIMA MULTI-PURPOSE COOPERATIVE



### BONTOC MULTI-PURPOSE COOPERATIVE



# MOA OF NATCCO-AFLATOUN AND DEP-ED ON SOCIAL AND FINANCIAL EDUCATION RENEWED!



NATCCO and Aflatoun commit themselves to be active contributors of DepEd's K to 12 Program. NATCCO, with the support of Aflatoun International, pushed for the signing of a tripartite Memorandum of Agreement for the sustainable implementation of the program. Through the MOA, Aflatoun and NATCCO will provide technical assistance, resources and network linkages for the implementation and integration of life skills based on social education, financial literacy and entrepreneurship for local organizations and government bodies. On the other hand, DepEd shall seek to utilize the internationally-tested teaching guides of Aflatoun and NATCCO within the national curriculum and in relevant subjects. Furthermore, DepEd, in the long term, will engage in collaborative learning sessions, when social education, financial literacy and entrepreneurship shall be institutionalized as lessons across the K to 12 Basic Education Program. Through the MOA, NATCCO hopes to achieve its development goals for the children and youth, in partnership with the member-cooperatives.

## PERFORMANCE REPORT

Key Result Areas	2016 Target	Actual As of June 2016	Remarks
Total Deposits	1,825M	1,702	A total of 1,702 Billion has been mobilizing, representing 93% of the 1,825 Billion target for the year. The Loan Fund continues to achieve higher volumes of deposits owing to its higher interest rate compared to the other instruments.
Stabilization Fund	25M	18.7M	
Investment Fund	100M	1.641M	
Liquidity Fund	200M	55.66M	
Loan Fund	1.5 B	1.626B	
External Borrowings	645M	300M	External Borrowings have decreased to a level of 12% of the Total Assets. This is the lowest ratio of External Borrowings, dropping from the 41% in 2012. May 2016 ratio was at 17%.
Share Capital	450M	388M	The Share Capital should be around P400M as the dividends and patronage refunds of P14.4M will be added to the share capital.
Loan Releases	1 B	416M, 41.6%	The total P416M is 6.9% higher compared to the P389M of June 2015. The MICOOP availment is expected to increase as MICOOPS expand. The total releases of P416M is P27M higher than last year.
- MICOOP	200M	21, 10.5%	
- Regular	800M	395, 49.4%	
On a month to month comparison, the Outstanding Loans has stayed at almost the same level, with only 4M average increase per month based on P1.484B balance as of June 2016 comparing the June 2016 loan balance against ending December 2015 balance, it is 1.5% lower or an equivalent of P21M in absolute amount.			
Of the total Loans Receivables, 45% is with MICOOP and 55% with the Regular Loans. The long term target is to bring the Regular Loans to 60%.			
Standardizing the Savings and Credit Operations with <i>Ekoopbanker</i> or <i>Ekoopbanker Plus</i> .			
eKoopbanker/ Plus Installations.	60	22, 37%	There are 6 new installations of NATCCO's system for June bringing the total to 22. Five (5) of these are <i>eKoopBanker</i> (local) and one (1) <i>eKoopBanker Plus</i> branch.
ATM	15	5, 33%	5 ATMs went live for the 1 <sup>st</sup> six months, or 33% of the target. The additional two ATMs are in Baao Parish MPC in Camarines Sur and Sta. Cruz MPC in Maasin, Saranggani.





Celebrating the launching of the Pinoy Coop ATM of Baao Parish MPC, complete with the blessing by the Parish Priest.



All smiles for the member of Sta. Cruz MPC of Maasim, Saranggani when she was able to withdraw through the Coop's ATM.



Mr. Abraham Lorenzo of the BSP speaking about the National Retail Payment Systems. Listening were NATCCO's Evangeline C. Lopez, Jun Defensor of the Cooperative Development Authority (2nd from right) , Grace Cayabyab of Software Group (rightmost) and the ISD team of BSP led by Mr. Jun Laya (2nd from left). A meeting was held to discuss the features of the ACCU Payment Platform. The latter is the partnership of NATCCO and PFCCO Visayas with ACCU with Temenos and Software Group as global partners.

## INTERNATIONAL STUDY VISIT TO CUCO, INDONESIA.



Eleven NATCCO member cooperatives represented by 29 leaders and staff (19 male and 12 female) visited credit unions in Jakarta, Indonesia on June 7-11. The Credit Union Central of Indonesia (CUCO), the national apex organization of credit unions hosted the study visit.

Participating NATCCO member-cooperatives were: ACIDI Multi-Purpose Cooperative (Taguig City), Aurora Integrated MPC, Benguet State University Cooperative (Baguio City), Bureau of Jail Management and Penology MPC (Quezon City), Cebu Peoples MPC (Cebu City), La Trinidad Trading Post Cooperative (Benguet), Lamac MPC (Cebu), Quezon Medical Mission Group Hospitals and Health Services Cooperative, Sacred Heart Savings Cooperative, Sta. Cruz Savings and Development Cooperative (Ilocos Sur), and staff of the NATCCO Network in Quezon City. They came back home enriched by the Indonesian co-op experience.

## WORLD BANK, RABOBANK VISIT NATCCO



The Management Committee led by CEO Sylvia Paraguya (right) welcomed representatives of the World Bank and the Rabobank (Netherlands) at the NATCCO Headquarters. Major discussions centered on how to make the cooperative sector adhere to standards and gain credibility via regulation. From left are Juan Buchenau, Senior Finance Sector Specialist, and Nataliya Mylenko of World Bank, Rabobank's David Gerbrands, NATCCO Member Relations & Networking Group Head, Emelina Santos, and Evangeline C. Lopez of NATCCO's Information Technology Group.



## MICOOP END-OF-CONTRACT NEGOTIATIONS WITH COOPERATIVES IN PALAWAN



San Miguel Farmers and Fishers MPC - After 6 years, NATCCO and SMFFMPC entered into another form of partnership via Consultancy after the 6 years of MICOOP Service partnership. SMFFMPC has fully paid their MICOOP loan. The co-op will also enter into another MICOOP Service partnership for their planned branching in El Nido, Palawan, within the year. DAR lauded the transformation of SMFFMPC from being a barangay-based micro - Agrarian Reform Cooperative. SMFFMPC was the first MICOOP partner to break-even in only 2 months after their grand opening in 2010.



SRT Puerto Princesa Cooperative of Palawan MPC (SPPCPMPC) – NATCCO-SPPCPMPC inked another partnership via consultancy and ended their 9-year partnership with continuing accompaniment, through consultancy services, which is co-terminus with the repayment period of the unpaid MICOOP loan. SPPCPMPC assumes full management of the cooperative as it serves over 2,000 members in their area of operation.



SRT of Palawan MPC (SRTPMPC) – SRTPMPC opted to renew its MICOOP Service partnership with NATCCO for another two years. NATCCO continues to co-manage SRTPMPC-MICOOP until 2018.



## NEW FEATURES OF THE GOLDEN STRATEGIC PLANNING

1) It was the first time that ACCU facilitated NATCCO's strategic planning session. 2) It was the first time that we have invited a representative from CDA to attend and participate. CDA Executive Director Ray Elevazo enlightened the group on issues which are within the CDA's jurisdiction. It was an effort to share with the regulatory body the development plan of the NATCCO Network. 3) It was the first time that we had an empty chair to symbolically represent the MEMBER COOPERATIVES. It is an expression that at the heart of what we are doing, should be the members. 4) Representatives from the micro and small cooperatives were also invited.



## FINANCIALS

**CETF.** A total of P15.2 Million, 76% of the P20M target, has been remitted by 178 coops. 105 coops in Luzon remitted P7.29M; 43 coops of Visayas, P3.64M and 30 coops from Mindanao remitted P4.29M. The CETF remittance provides for direct service at a minimum of 40%; the remaining 60% to support networking, research & development, and linking.

**FINANCIAL STRUCTURE.** Cash is 16% of Total Assets, Net Loans Receivables at 56%; Deposit Liabilities at 66%; Loans Payable at 12% and Share Capital at 15%.

**NET SURPLUS.** Of the P26M target for the year, P13.07M or 50.2% has been realized as of June 2016.

## JULY EVENTS

July 05, 2016  
Albanian Delegation Exposure Visit to NATCCO

July 08, 2016  
LSE Meeting on Migration

July 17 – August 06, 2016  
3rd ICA/Japan Training Course:  
"Fostering Leaders to Reinforce Business Development of Agricultural Co-operatives," IDACA, Tokyo, Japan

July 21, 2016  
Exposure Visit of Cambodians to NATCCO

July 26-30, 2016  
ICA/ACFSMC Workshop on "Cooperative Finance For Agriculture," Dali, China