

Companies and Committees



Companies Committees

International Development Foundation

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To safeguard the long term future of the International Development Foundation Limited, the Gus Murray Memorial Endowment Fund was established in 1994 to provide adequate financial resources to ensure the on-going funding of projects. In 2002, the Fund reached its target of € 1.27 million (IR £ 1 million).

Since the Development Fund was set up in 1980, total contributions have come to €6,038,064, of which €695,270 was contributed in 2003.

Promotion of the Foundation

Credit unions were once again invited to contribute, enabling the Foundation consolidate its achievements, by empowering members in the developing world ensure the long-term viability of their credit unions.

The Foundation recommended a contribution of €1 per member (£0.60 – Northern Ireland). Information leaflets and posters were issued to all credit unions in October and promotion activities carried out by the Board of Directors, League Chapter Liaison Officers, staff and the former Technical Adviser in Albania.

The International Affairs Manager, Dermot Boucher and the newly appointed International Projects Promotion Officer, Nancy Belfiore undertook project monitoring and international liaison to develop useful linkages and co-sponsors via the European Union. Michael Gannon, former Resident Technical Adviser in Albania, completed his four-year contract in July and the Foundation is now seeking a replacement to continue his valuable work.



Short-term assignments have been carried out by Tony Burke that involved a Safety and Soundness evaluation and an appraisal visit of the credit union movement in The Gambia. During the year, evaluations of both the Albanian and Russian projects were carried out, with the outcome in each case proving positive and encouraging future support. In particular, there was a recommendation to continue funding for the Russian projects through 2004, which was subsequently approved by the Board.

Projects

Thanks to the continued support of Irish credit unions, the Foundation has been able to support over 110 projects in many countries around the World, contributing to the well-being of many individuals and their communities.

In pursuing its policy of long-term credit union development, the Foundation continues to provide financial and technical support to the following projects:

Albania - €203,513

Background: Credit unions did not exist in Albania before the Foundation began its work in 1996. The original aim was to establish six credit unions in Europe's poorest country, under a project co-funded by the European Union. The success of this project, despite severe political and social unrest, justified a long-term commitment and expansion, which has led to the establishment of 41 credit unions.

With on-going support from the Foundation, a favourable legal framework has been established and the rule-book for the supervision of Savings and Credit Associations and their Union has been adopted in collaboration with the Central Bank in Albania. The



Albanian apex body, 'Jehona', is gradually achieving a leadership role, ensuring the sustainability of the Albanian Credit Union Movement.

Project partners have included US NGOs, Catholic Relief Services, Land O'Lakes, and International Fertiliser Development Corporation. Co-funding has also been obtained from USAID and IrelandAid, the latter renewing its support of the Albanian Credit Union Movement with funding of €59,000 in October 2003.

Achievements

No. of credit unions	41
No. of Members	4,700
% Women	70
Savings	€ 350,000
Loans issued during past year	€ 300,000

South Africa - €77,092

Background: Having assisted the South African apex body, SACCOL, for a time during the early 1990s, the Foundation funded a 3-year regional project (2001/2003) that focused on the Eastern Cape, which Cape remains one of South Africa's poorest provinces.

The country is plagued with problems resulting from the apartheid regime and which continue to manifest themselves in the form of socio-economic inequalities. The project aimed to establish nine functioning credit unions, including the cities of Port Elizabeth and East London, by the end of 2003 and to date, eight are already operating and expanding their membership.

Achievements

No. of credit unions	8
No. of Members	2,166
Savings	€ 227,000
Loans issued during past year	€ 130,000

The Gambia - €121,921

Background: This was the Foundation's first major project, starting back in 1992, when WOCCU and the African apex body, ACCOSCA, invited the Foundation to revive the Gambian movement, which was in a state of collapse. Aided by co-funding from the European Union, the Foundation supported the Gambian apex body, NACCUG, through direct finance and the provision of extensive technical assistance. NACCUG, in turn, provides training, promotion and monitoring services to its growing membership, and has become a widely recognised and respected NGO in one of Africa's smallest and poorest countries. Through Foundation assistance NACCUG continues to provide support to rural credit unions, which in turn is deepening the impact of rural development efforts, by providing credit union members with a safe place to keep savings generated by projects implemented by other international development organisations.

In addition to Foundation funding, more than ten Irish credit unions have twinned with Gambian counterparts, establishing close and enduring links between Ireland and this tiny West African state. Co-funding was also provided by the Irish Government and APSO, the Irish volunteer agency.

Achievements

No. of credit unions	72
No. of Members	16,786
Savings	€ 1,172,000
Loans issued during past year	€ 1,009,000

Russia - €221,834

Background: Russia is a vast country with over 140 million people. Its transition from a communist regime has been difficult and has resulted in it becoming one of the most unequal societies in the World. The Foundation initially joined a consortium established by WOCCU which aimed to revive the once-powerful Russian credit union movement.

By mid/late 1990s, the Foundation was the main funder of the Russian apex body, RCUL, a process assisted by co-finance from the EU Tacis Programme. Today, over 300 credit unions with some 200,000 members have been established throughout this vast country and with support from the Foundation, a national credit union law was enacted in 2001.

In 2000, the Foundation changed its focus to regional development and three current projects in North-West Russia – St. Petersburg, Karelia, Dubna (Moscow Region) – have proved most successful.

The Foundation has signed a Co-operation Agreement between the Government of the Republic of Karelia and the Association of Credit Unions of Karelia, with the aim of consolidating the role of the credit unions in the region.

The main beneficiary of the agreement, which was signed at the

end of 2003, will be the credit unions, which will gain recognition, more influence and opportunity for developing both the credit unions and their Regional Association. Establishing a strong credit union movement in this region may be a determining factor in promoting the benefits of cooperation in other areas of the Russian Federation.

Achievements

No. of credit unions	42
No. of Members	13,500
Savings	€ 561,000
Loans issued during past year	€ 1,172,000

Mali - € 56,000 (two year project)

This project, in the West African state of Mali, funded in collaboration with World Education, was completed in October 2003.

The Foundation support has contributed significantly to the development of the Jigiyaso Ba Credit Union Federation, assisting it in formalising its status as an independent decentralised financial institution contributing to poverty reduction especially amongst women, through the promotion of micro-enterprise and capacity building. The credit union today includes 8600 members in 13 urban areas and 3 rural areas.



Caribbean Confederation of Credit Unions – €103,586 (three year period) €30,770 provided in 2003.

This project is attempting to build on the success of the ILCU/CCCU Safety and Soundness Project – January 2000 to December 2001 - by providing continued training and technical assistance. It aims to strengthen the institutional capacity of six co-operative credit unions, improve the products, services and management capacities of 25 rural credit unions, and improve the support services capacity of a newly established Business Centre.

Other projects funded

In addition to the main projects, the Foundation receives a wide range of applications for funding and responds as appropriate, with support in 2003 to the following projects:

Malawi :

- Youth Vocational Training Institute - €1,000
- Sponsorship – work with local hospitals - €1,000

Kenya

- East Pokot Medical Project – HIV/AIDS education - €3,500
- Mukuru Slums of Nairobi – savings and loans initiative - €5,000
- Eldoret - Education and Training - €1,000

Pakistan – credit programme – revolving loan fund for productive purposes to the Marvaria community - €6,349

Study Tours

The Foundation hosted two study tours in 2003 involving Russian credit union delegates, coming from areas as remote as the Far East

of Russia. In addition, a study tour funded by the International Fertiliser Development Corporation was organised for representatives of HABA (Horticultural and Agri-Business Association), one of the 41 Albanian credit unions supported by the Foundation.

The success of the study tours depended greatly on the active involvement of Irish credit unions and the appreciation of the Foundation is extended to all credit unions which hosted visits during the course of 2003.

Twinning

Twinning is an on-going, mutually beneficial relationship established between two credit union organisations. Activities carried out are defined on the basis of local needs and are aimed at strengthening the technical and financial operation of credit unions.

Appreciation

The Foundation wishes to express its appreciation to all those who supported its activities over the past year, including:

- ◆ The Irish League of Credit Unions, which bears the administrative costs of Foundation activities
- ◆ Individual credit unions, for their contributions to the Foundation, and for other forms of support, such as hosting study tours.
- ◆ The Irish Government, the Agency for Personnel Services Overseas, the European Union, the International Fund for Agriculture and Development and USAID



Association of Asian Confederation of Credit Unions

The ACCU Recognition Award for 2003 was bestowed on the Foundation in recognition of its outstanding contribution to promoting credit unions in Asia. The financial contribution of the Foundation has enabled ACCU promote credit unions to the next generation. The Award was presented as a demonstration of appreciation to the Foundation for its 12 years partnership and support to ACCU.

Review Commission Report

The Articles of Association of the Foundation were amended during the year to take account of the Review Commission's recommendation that the board of the Foundation be changed to include two non-League Directors.

The Board is comprised of five Directors and a majority (3) will continue to be League Directors. The remaining two positions will be elected by the members of the Foundation (being all the League Directors) in general meeting following a credit union nomination process

Credit unions were invited to nominate persons who were considered to have a particular knowledge and experience of the development of co-operative activities (including credit unions) in less developed countries.

The members of the Foundation were not limited in their choice of person to serve as a Director and could elect persons other than those suggested by credit unions. At the AGM of the Foundation in July 2003, two new non-League Board Directors were appointed to the Board.

In October 2003, a delegation attended meetings in Brussels to discuss and explore ways and means of acquiring co-funding from major international donors.

Development

ILCUTECH Limited

At the Biennial Delegate Meeting 2003, a report was presented to the delegates on ILCUTECH Limited and the feasibility of legal action in respect of the failure of the ISIS project. McCann FitzGerald, Solicitors and Piers & Fitzgibbon, Solicitors, were both commissioned to investigate the legal options in relation to this issue. Further to their reports, the League Board advised the meeting that, for a variety of reasons, it could not recommend to the members that legal proceedings should be commenced.

Having received legal advice to the effect that the company was insolvent, the directors of ILCUTECH Limited advised that, in line with their statutory duties, they intended to arrange for the orderly winding-up of the company as soon as possible and the League Board supported them in this matter.

Furthermore, Motion 41, which provided that “all money spent on the development of the ISIS project should now be written off and no further money should be put at risk in an attempt to recover any part of it from OSI”, was carried by the meeting.

Following the Biennial Delegate Meeting, the directors of ILCUTECH Limited met on May 13th 2003 and started the process for placing the company into voluntary liquidation by convening an EGM and a meeting of creditors of the company on May 30th 2003.

At the EGM, a resolution that the company be wound-up voluntarily was passed and Mr. Rory O’Ferrall of Deloitte and Touche was appointed liquidator of the company. The liquidation process is now well under way. The liquidator has taken in the assets of the company, collected the relevant files, and written to all creditors inviting them to submit their claims against the company.

It is expected that the liquidation process will be officially concluded in the first half of 2005.

ILCUTECH

Northern Ireland

Following on from the Review Commission's recommendations, the Northern Ireland Committee was established earlier this year "to ensure that the key issues relating to the operation of credit unions of every size in Northern Ireland are represented, prioritised and supported by the Irish League of Credit Unions".

Under the chairmanship of League Director, Uel Adair, the Committee comprised:

Patricia Kerr	Chapter 1 - Pennyburn Credit Union Ltd
William Breen	Chapter 2 - Larne Credit Union Ltd
Liam McCullagh	Chapter 3 - Camlin Credit Union Ltd
Brendan Jackson	Chapter 4 - Newry Credit Union Ltd
Pat Donnelly	Chapter 17 - Fintona Credit Union Ltd

with League staff support provided by Marietta Bradley, Paul Thornton and Breege-Ann Murphy.

Meetings/Priorities

Committee meetings in May, June, August and November prepared a list of priorities for the coming months, with particular focus on the current legislation review.

Other key areas identified were:

- ◆ Marketing
- ◆ Education and Training
- ◆ Money/Debt management
- ◆ Policy on Technology for credit unions

Updates

Northern Ireland Legislation Review

The Committee met PricewaterhouseCoopers (PWC) who undertook the initial stage of the Legislative Review on behalf of its sponsors, the Department of Economy, Trade and Investment (DETI).

Committee members were subsequently invited to an information meeting organised by DETI at which PWC gave a summary of the results of their initial survey and work to-date on the proposed new legislation.

The consultation document was completed but the process was suspended due to the Assembly elections. Once the consultation document is released, the Committee will continue the review process and report to the League Board and credit unions.

Social Economy Network

The Irish League of Credit Unions is represented by League Director Kevin Helferty (with William Breen appointed by the Committee as his alternate) on a group established to examine all aspects of the area of community enterprise and related activities.

Documents

A number of documents have been prepared and circulated to credit unions, having been reviewed by the Committee, including:

- ◆ Asbestos in the workplace
- ◆ UCC Courses
- ◆ E-mail technology policy
- ◆ Social Security Fraud Act 2001 – Q&As
- ◆ Human Resource guidelines for credit unions

At the end a number of items were being prepared or finalised for circulation:

- ◆ Funding - a note on options for funding that may be available to credit unions from central bodies, for example government agencies, European Union funding and local authorities, for items such a training or capital expenditure.
- ◆ Money/Debt Management – the procedures or actions that may be open to credit unions for assisting members who

require guidance with debt matters.

- ◆ Independent Voluntary Arrangements
- ◆ Proceeds of Crime Act 2002 - information note on the requirements of the Act particularly in relation to money laundering.

Items for comment/information

The Committees Encourages all Northern Ireland credit unions to bring their Committee representative any items or areas that they feel require examination, comment or follow-up.



Ireland

