

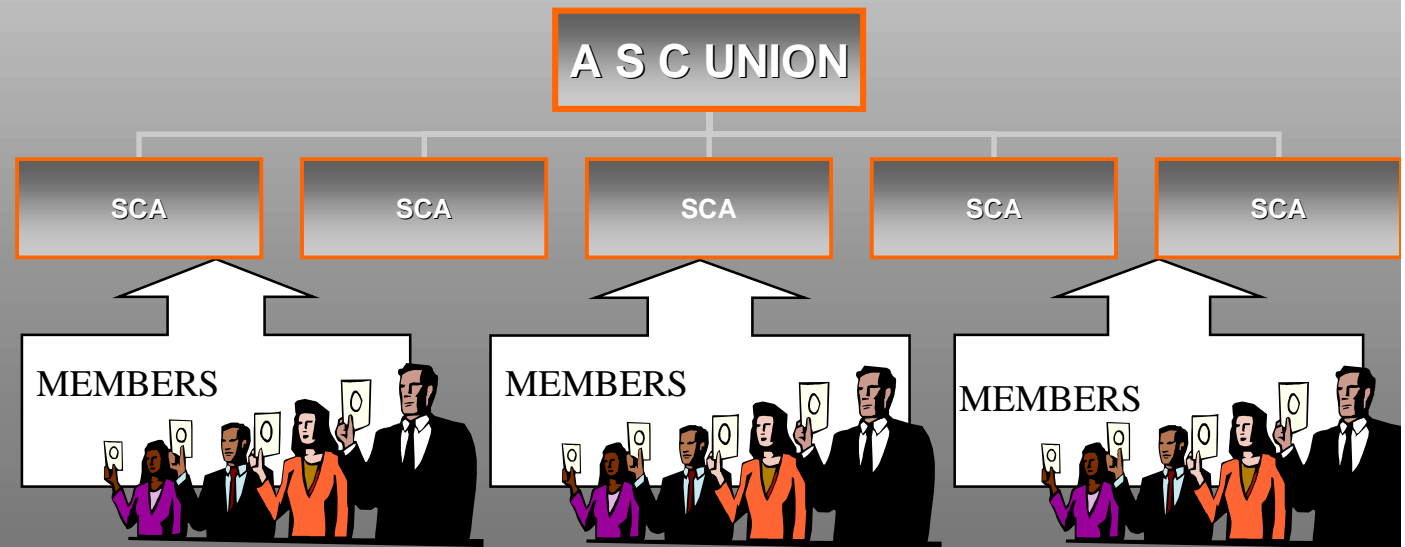
ALBANIAN SAVING AND CREDIT UNION



13 YEARS RURAL CREDIT

Albanian Saving and Credit Union

- Created in January 25, 2002 based on the successful experience of the previous microcredit projects implemented since 1992.
- ASC Union is a voluntary federation of its members, which are the Saving and Credit Associations.



➤ **Mission**

To offer financial services to Saving and Credit Associations members in the village, with the main focus the promotion of productive activities, improvement of living standard and the sustainable development of rural area.

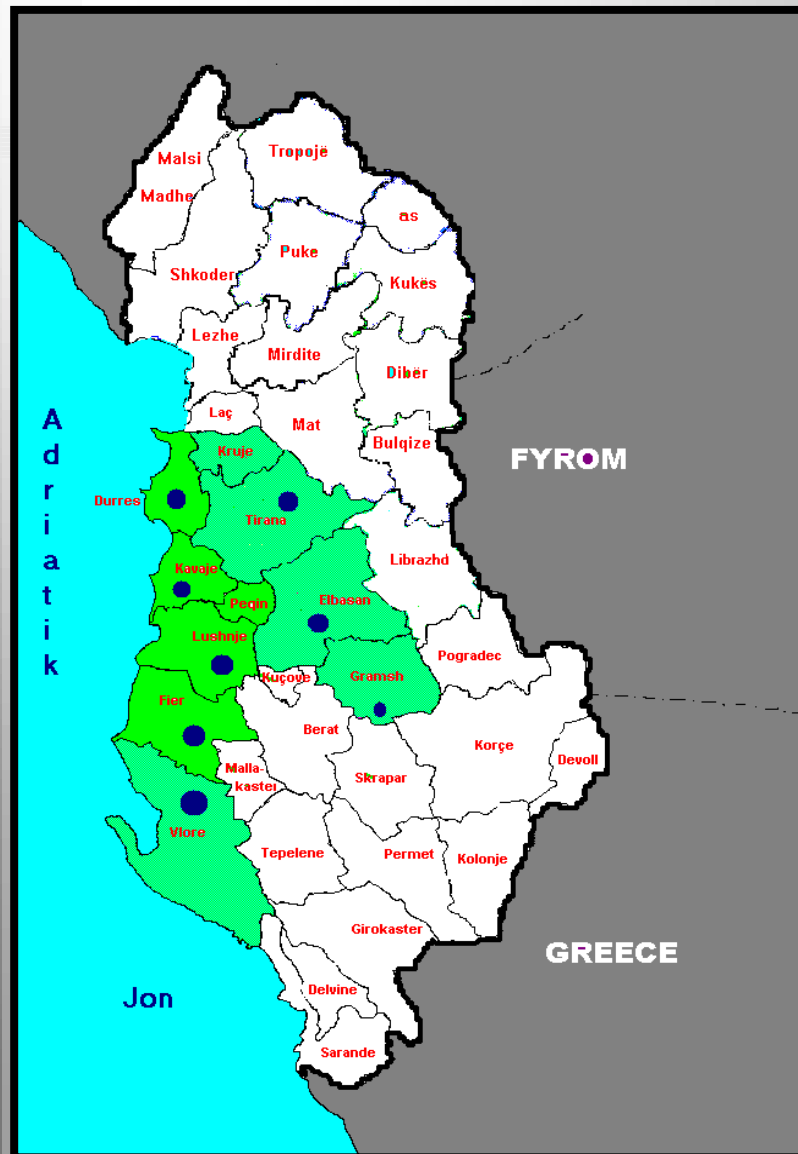
➤ **The beneficiaries**

Rural Areas inhabitants

➤ **Principles of SCA functioning**

- **Self-Creation,**
- **Self-responsible,**
- **Self-administration.**

Main indicators of ASC Union's activity (December 2004)



Number of districts	8
Number of villages	352
Number of SCAs	90
Number of SCAs members	10 484

Actually ASC Union's activity covers 41% of the villages in the intervention area

Impact

- **Support to the progressive development of the Albanian farms through financing increasing investments.**
- **Creation of Civil structures in the villages, which have the capacity to manage the credit system as well as other development projects.**
- **Economic development in the intervention area, with a significant impact in the improvement of the living standard, increasing employment possibilities and restrain of emigration.**

Social Performance in ASC Union activity

- **Component of Union mission**
- **Requirement of the donors**
- **Component of the National Strategy of the Albanian Government for the economic and social development**

Union experience in studies of this type

- Feasibility studies carried out by the Union have made it possible a:
 - Better knowledge of the village economic strategies and their social organization.
 - Further development and adoption of services in compliance to the rural developments.

The data concluded by these studies responded to the following questions:

- To what extend the Union services fit the needs of the village and which is the impact in the farm and community development?
- To what extend the clientele is part of the target clientele and which are the potential capacities to increase the clientele?
- What is the credit impact in creating new employment possibilities in the village?
- Which are the savings potentials in the village and how has the saving service evolved?
- To what extend the SCA is known in the village?
- To what extend the members feel the SCA as their own bank?
- How many SCA members and non-members know the rules and procedures of the SCA?
- How long does it take a get a loan from the moment of the application and how to reduce this period?

Union experience in studies of this type

The studies have made it possible for the Union to:

- Test, adapt, and improve the methodology, procedures and regulations**
- Take decisions regarding:**
 - extension of the intervention area,**
 - elaboration of the right product for the clientele**
 - elaboration of the mid-term social-economic objectives of the Union**

Continuous reinforcement of the SCAs social capital

- **Encourage common action in our system.**
- **Assure the transparency in the SCAs activity.**
- **Reinforce the social links in the rural area.**
- **Strengthen the social pressure within the SCA.**
- **Reduce the risk of the credit activity.**
- **Reinforce the capacity of the governing bodies to get involved in the solution of other issues in the rural community.**

Participation in the questionnaire SPI- CERISE

- **Gave a synthetic table regarding the position of the Union in relation to the four studied dimensions.**
- **Made it possible the confrontation of the methodology and adaptation of the Union services.**
- **Showed in a more organized way the trajectory of the Union in the social objectives matters.**
- **Encouraged concrete actions. Unioni is carrying out a study on the SCA typology in the actual stage to see the development trend.**
- **Encouraged reflections of the board of directors and of the management in order to pay attention to the social objectives to achieve the three types of viability : financial, social-economic and institutional.**

How it is envisaged the continuity of the utilization of such tools

- **Need to know the results of other similar institutions in order to extend the knowledge and the comparison level.**
- **Need to assimilate the tools of this questionnaire to use them in specific studies for the Union**
- **Take into consideration from the Union of the conclusions of these studies in decisions related to:**
 - **credit policies**
 - **other services for the clientele**
 - **link between Union mission and the responsibility to the social community**
- **Pursue the dialog regarding the methods and tools in order to encourage more social practices for the beneficiaries of the rural areas maintaining at the same time the financial performance.**