



CUNA Issue Summary

WORLD COUNCIL OF CREDIT UNIONS (WOCCU)

ISSUE: World Council of Credit Unions (WOCCU) is the international trade association and development agency for credit unions. WOCCU represents the interests of more than 46,000 credit unions serving 172 million members worldwide.

The world's leading advocate for global awareness of credit unions, WOCCU promotes safety and soundness to government legislators, regulators supervisors, donors, credit union organizations and credit union members. WOCCU facilitates knowledge exchange and learning through international meetings, regional technical congresses, publications and internet information services.

WOCCU's international development activities are primarily funded by donors including the US Agency for International Development (USAID), the US Department of Agriculture (USDA) and the Bill & Melinda Gates Foundation. WOCCU also receives contributions from the US credit union system through the Credit Union National Association (CUNA), the National Credit Union Foundations (NCUF), CUNA Mutual and individual credit union member donations. Trade association activities are funded by member dues.

International Development:

In order to further credit union development, WOCCU carries out technical assistance programs, currently in about 15 countries, focused on improving financial performance, mobilizing savings, remittances and increasing outreach.

Unlike other microfinance organizations, WOCCU does not use USAID and other organization's grants to directly fund microenterprise loans. Rather, WOCCU implements a more sustainable approach and uses grant funding for *technical assistance* and *training* to guide credit unions and employees in developing countries through a process of institutional development and financial planning.

Instead of injecting funds into a credit union or making a direct loan, WOCCU focuses on savings mobilization. Once individuals in a community have shown the capacity to save, they are allowed to take loans from the credit union. Since the member's loans are savings from the community, credit unions in developing countries have extremely low delinquency rates. Using the savings driven approach also ensure that credit unions will continue to fund loans from local savings long after the completion of a WOCCU project.

WOCCU's aim is to build a strong, self-sustainable credit union that will continue to promote democratic and free-market principles long after WOCCU's project has come to a close.

Remittances:

WOCCU links national credit union organizations in other countries together with money transfer operators so that senders in the US can send funds from 4,000+ outlets in 42 states for distribution through credit unions. On the receiving side, credit unions in nine countries are distributing remittances using IRnet (International Remittance Network). It is WOCCU's hope receivers of remittances will keep some or all of their remittance in a credit union account in order to build savings and improve their quality of life.

CUNA POSITION: CUNA is the largest member of WOCCU, and advocates their priorities before Congress through the help of the Leagues and affiliated credit unions.

IMPACT ON CREDIT UNIONS: CUNA's affiliated Leagues and member credit unions have become increasingly involved in international credit union development. WOCCU's Partnership program has matched 23 of CUNA's state leagues with developing countries to provide a share and transfer of information and technology.

STATUS/OUTLOOK: The annual State and Foreign Operations appropriations bill is the primary vehicle that funds programs of interest to WOCCU, including the Cooperative Development Program (CDP) under USAID.

One July 9, 2009 the House passed its version of the FY2010 State and Foreign Operations Appropriations bill. The Senate Appropriations Committee approved its version of the FY2010 State and Foreign Operations bill on July 9, 2009.

Senate Bill Text:

"Provided further, That of the funds appropriated under this heading, \$10,000,000 shall be made available for Cooperative Development Programs within the Office of Private and Voluntary Cooperation, United States Agency for International Development:"

Senate Report Text:

Cooperative Development Programs—The Committee has long recommended the important role that U.S. cooperatives and credit unions play in overseas programs as a means to lift low income people out of poverty by mobilizing equity and savings for community-based economic growth. The Committee recommends \$10,000,000 for USAID's Cooperative Development Program within the Office of Private and Voluntary Cooperation.

Differences in the House and Senate bills will be addressed in a conference committee. CUNA continues to advocate for higher federal appropriations for these important programs.

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