

EXPANDING ACCESS TO FINANCIAL SERVICES



WOCCU's Most Diverse Program Translates into Many Languages

Funded by the U.S. Agency for International Development (USAID), the World Council of Credit Unions' Cooperative Development Program (CDP) aims to support environments in which savings and credit cooperatives, credit unions can grow and thrive. Working in partnership with USAID, WOCCU's current CDP project is designed to address four development challenges: building national and international cooperative business networks, advancing legislative and regulatory change, building human capital and adapting model credit union building to challenging operating environments. The US\$3.7 million program runs for five years, June 2004–May 2009. CDP focus countries include: Afghanistan, Ecuador, Kenya, Nicaragua and the Philippines.

Outreach to Underserved Populations

In both the Philippines and Ecuador, WOCCU has worked with Freedom From Hunger to develop and implement Savings and Credit with Education (SCWE) technology in credit unions. Through SCWE, credit unions reach far into the underserved community through field agents who conduct transactions and deliver training modules to groups of poor women. The transfer of SCWE technology from the Philippines to Ecuador allowed WOCCU to increase its knowledge of the product and investigate its sustainability in credit unions operating in different types of environments.

What makes the CDP unique are its global activities, flexibility to develop innovative methodologies tested in WOCCU selected focus countries, coordination with other U.S.-based cooperative development organizations, and

overall design to advance World Council's vision, mission and strategic objectives. Through the CDP, World Council's work is impacting credit unions throughout the world.

Creating Credit Union-Friendly Environments

In coordination with seven other U.S.-based cooperative development organizations (ACDI/VOCA, Americas Association of Cooperative and Mutual Insurance Societies, Community Housing Foundation International, Land O'Lakes, National Cooperative Business Association, National Rural Electric Cooperative Association and National Telecommunications Cooperative Association), WOCCU is involved with an examination of worldwide cooperative development laws and regulations. The goal is to identify types

of laws and regulations that enable cooperatives to thrive and avoid those that do not. Findings and tools from the collaborative program, known as CLARITY (Cooperative Law and Regulation Initiative), will be made available to international organizations, development advisors, governments and grass-roots level cooperatives to support local reform. The CDP funding also supported the production and distribution of the second edition of WOCCU's *Model Law for Credit Unions* and the *Guide to International Credit Union Legislation*, available and distributed in both English and Spanish.

WOCCU has negotiated a formal agreement with the Ecuadorian Superintendency of Banks to provide an advisory reference for credit union standards, regulations and supervision. Through the separate WOCCU-Ecuador project, WOCCU is assisting 10 credit unions to become licensed and supervised by the Superintendency.

In Kenya, WOCCU staff has worked to prepare for the passage of a credit union specific law, to conduct an impact study to assess the current financial condition of credit unions, and to provide a recommendation of systems, tools and methodologies required to design and establish a regulatory agency for credit unions.



KENYA › NICARAGUA › PHILIPPINES › ECUADOR › AFGHANISTAN

Collaborating with the credit union movement and legislators in Nicaragua, WOCCU has refined a draft of the proposed general cooperative law.

Joining Together for the Common Good

WOCCU is working with credit unions to develop cooperative business networks to provide new services, increase membership and achieve economies of scale.

In Ecuador, WOCCU has led the construction of a network in which members of one credit union can access the services of another credit union (known as shared branching). Of the 13 credit unions in this RedCoop network, 10 are also attracting unbanked remittance recipients by becoming payers through WOCCU's International Remittance Network (IRnet).

Opening the United States-to-Africa remittance corridor for credit unions, WOCCU has joined three large, progressive credit unions and their league in Kenya to form a joint venture to offer remittance services to credit unions across the country.

Strengthening Informed Participation and Governance

By training credit union managers and board members in technical areas, such as financial accounting, marketing and policy development, WOCCU is able to extend its expertise to support safe and sound credit unions through better managers and boards—even in countries where WOCCU does not currently have any development projects.

In November, 2005, the first class of Certified SACCO Professionals—20 managers and 18 board members—graduated from the Strathmore-WOCCU African Management Institute (SWAMI). Held at Strathmore University in Nairobi, Kenya, SWAMI is a three-tiered accreditation program designed to equip credit union managers and board members with the necessary tools, training and understanding of policies and governance procedures to safely manage and operate credit unions. SWAMI has drawn participants from eight different countries including Kenya, Uganda, Seychelles, Malawi, Ghana, Botswana, Swaziland and South Africa. The SWAMI program is supported jointly by CUNA Mutual

Foundation. Many U.S. credit union leagues and credit unions have also generously provided scholarships and funding for this program.

CDP funds have also supported development of a credit union board member training program in Ecuador. The seven-weekend training program was launched in October, 2005 with 34 board members attending from 15 credit unions around the country.

Starting from Scratch

In Afghanistan, where credit unions have never before existed, WOCCU has drawn from its experience in other parts of the world and a number of funding sources, including the CDP, to establish two credit unions in the northern part of the country. Adapting to the environment, WOCCU has incorporated both traditional and Islamic banking principles into its Model Credit Union Building methodology. Each credit union is operated by democratic governance principles and has given women equal opportunity to join and participate in the governance of the credit union.

With such a diversity of activities and locales, the CDP is cooperative in every aspect—linking WOCCU's work with that of other cooperative development organizations, joining field activities with headquarters' best practices staff, and facilitating an exchange of information and experiences to ensure the vibrancy of the global credit union movement. 

—by Molly Schar
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