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WORLD COUNCIL OF CREDIT UNIONS, INC.

September 17, 1997

Mr. John Godden
Cooperative Development Officer
U.S. Agency for International Development
BHR/PVC/CDO
Room 729, SA-8
Washington, D.C. 20523-0804

Subject: FAO-0192-A-00-4014-00

Dear Mr. Godden:

Attached is the revised final report on the subject program which contains expanded descriptions and explanations of the project indicators as you requested.

Please let me know if you have any further questions.

Sincerely,

Bob Lestina
Project Development Manager

cc: USAID/CDIE/DI
David Dinning, WOCCU
Lucy Ito, WOCCU

**Credit Union National Association
World Council of Credit Unions
Cooperative Program Support Project**

**Final Report
April 29, 1994 - May 31, 1997**

Executive Summary

Pursuant to Cooperative Agreement No. FAO-0192-A-00-4014-00, the Credit Union National Association (CUNA) committed to support activities designed to strengthen the capabilities of credit unions in developing and transitional countries in order that they may provide essential financial services to an expanding number of members. Through a long-standing agreement, responsibility for the Cooperative Program Support Project (CPSP) design and implementation was ceded to the World Council of Credit Unions (WOCCU).

The CPSP formed an integral part of the World Council's overall development strategy, supporting efforts related to project development, technical assistance, training, policy dialogue, and management information. Through these vehicles, the World Council sought to: 1) expand the credit union market share, 2) encourage the development of new products and services, 3) bolster financial stability within the credit union system, and 4) strengthen democratic participation.

I. Summary of Program Accomplishments

The stated goal of the project was to "deepen and increase the economic efficiency of financial markets in developing and transitional countries." Its purpose was to "strengthen credit union capabilities to provide essential financial services to an expanding number of members." Four areas of concentration were defined as:

- Market Expansion: help credit unions increase their market share, as measured by population penetration and savings share, in order to increase their impact on the development of national financial markets.
- Product & Service Development: help credit unions develop innovative products and services in order that they may better respond to an increasing demand for savings, credit, and insurance services.
- Financial Stability: help credit unions expand public confidence in order to increase the supply of available capital.
- Economic Democracy: help credit unions strengthen their democratic structures in order to affect the formulation of development policy at the community and national level.

To achieve these purposes, four specific programs were designed:

- Financial Markets Development Program. Build internal capabilities in primary-level credit unions so they can play an increasingly significant role in national financial markets.

Accomplishments:

- population penetration increase averaged 0.79% in project countries
- loans market share increase averaged 0.57% in project countries
- savings market share increase averaged 0.44% in project countries

- **Safety & Soundness Program.** Improve the legal environment in which credit unions operate, as experience has shown that credit unions are most successful in countries where there is distinct, enabling legislation and an independent regulatory body.

Accomplishments:

- evaluation of Lithuanian Credit Union Act
 - workshop held to review Ukrainian legislation, regulation and bylaws
 - assessment of Latvian credit union law
 - assessment of loan practices and policies, and the regulatory environment in Guyana
 - model credit union workshops held in El Salvador and Ecuador
 - assessment of institutional and prudential supervision in El Salvador
 - prudential standards manual developed for use in Caribbean region
- **Democratic Participation Program.** Focus attention on the democratic processes that are so vital to continued credit union growth and development.

Accomplishments:

- strategic planning sessions held in Niger
 - determined Bangladesh movement interest in participating in development program
 - four regional symposia held in Africa to determine interest in participating in development program
 - participation in conference for Asian national association CEOs
 - planning for WOCCU membership structure review and planning process
 - convened international credit union congress in Latin America
- **Management Information Program.** Design and implement a management information system to compile and process information on the status of WOCCU programs and projects and indicate where actions or decisions are required.

Accomplishments:

- accounting software installed at WOCCU headquarters to move most accounting functions in-house
- project and potential project database installed and operational
- standard PEARLS operating ratios in use in all projects
- CUdBASE project monitoring software in use in most projects

A summary of project output indicators is included in Annex 1.

II. Description of Program Activities

CPSP activities placed a heavy emphasis on new project development. In all, 57 project proposals were prepared and submitted, 22 of which were funded. Through its credit union development programs, the World Council seeks to promote the development of model credit unions and to enhance the safety and soundness of their operations. In the furtherance of this objective, CPSP activities also included conferences, seminars and workshops through which participants could share experiences internationally and across regions. Such activities also included country and regional meetings to ensure communication and coordination of efforts.

Short-term technical assistance and training activities focused on safety and soundness concerns, and improvements in the competitiveness and sophistication of credit union services. Assistance was provided to develop legislation and regulations conducive to credit union financial stability and membership growth, and to implement financial rating or classification systems. Additional assistance was provided to install computerized accounting systems in several African and Latin American movements.

The CPSP has permitted the World Council to enhance its management information system, producing data not only for internal management decisions, but for managers and researchers both within and outside the international credit union system. WOCCU continues to collect credit union member level financial service impact data in Ecuador, El Salvador and Bolivia.

An extensive listing of CPSP activities is found in Annex 2.

III. Description of Methods of Work Used

The project proposal indicated that because the CPSP is such an integral part of WOCCU's development strategy, cooperative agreement funds would be augmented by project funds and WOCCU member dues to achieve the CPSP objectives. Inasmuch as CPSP objectives are identical to WOCCU's overall goals, the methods used to achieve CPS program objectives were essentially those used in WOCCU's projects and member services areas. That is, the model credit union building approach was used as the main service delivery method for the financial markets expansion, safety and soundness, and democratic participation programs.

Briefly, the model credit union building methodology entails working with individual credit unions that meet certain criteria and wish to improve their operations and expand their membership. A model credit union building program would identify individual credit unions to participate, based on their current status in a standard series of categories, and their strong desire to make changes in their current operations. Problem areas are identified and strategic and business planning is carried out. The credit union will then have in hand a road map of how to achieve its objective. Necessary changes identified in the strategic and business plans could include: facilities upgrade, establishment of regular business hours, marketing strategies, adopting market rates of interest, reforming loan underwriting practices, new services, new financial products, financial performance targets, and changes in board responsibilities and accountabilities.

The bulk of the project proposals prepared during the period incorporated this methodology. The training organized and carried out under the CPSP was also geared toward support of the model credit union approach, as were the safety and soundness and policy dialogue elements of CPSP activities.

IV. Comments & Recommendations on Unfinished Work

The Management Information System installed and currently operating within WOCCU will continue to be modified, upgraded and expanded over time. The information it makes available has already proven its usefulness, so this will continue to be a priority. In addition, WOCCU will continue to produce technical materials, especially those which enhance and support the model credit union building methodology. Such activities have been budgeted under the new Cooperative Development Program.

V. Fiscal Report

As stated in the proposal for this program, core funding was used both discretely and in

combination with long-term project funding and movement funds to achieve the objectives of this program. This provided an effective way to leverage CPSP funds and expand the reach of the program. A financial report through the period June 30, 1997 is attached as Annex 4.

Summary of Project Output Indicators: April 29, 1994-May 31, 1997

| Actions Proposed | Target | Actual |
|---|---------------|---------------|
| A. FINANCIAL MARKETS DEVELOPMENT | | |
| Project Design Studies | 15 | 28 |
| Country/Regional Assessment/Design Studies | 12 | 18 |
| Country/Regional Projects Funded | 9 | 19 |
| Multi-Regional Programs Designed | 6 | 6 |
| Multi-Regional Programs Funded | 3 | 3 |
| Technical Consultancies Completed | 9 | 23 |
| Conduct Training Programs | 12 | 17 |
| Participate in Conferences & Seminars | 6 | 4 |
| Disseminate Technical Products | 6 | 7 |
| B. SAFETY AND SOUNDNESS | | |
| Technical Consultancies | 6 | 12 |
| Training Programs Organized | 3 | 19 |
| Conference/Seminar Participation | 2 | 2 |
| Technical Products Disseminated | 1 | 7 |
| C. DEMOCRATIC PARTICIPATION | | |
| Technical Consultancies | 2 | 2 |
| Training Programs Organized | 1 | 1 |
| Conference & Seminar Participation | 1 | 10 |
| Technical Products Disseminated | 2 | 2 |
| D. MANAGEMENT INFORMATION | | |
| Management Information System (I)nstalled & (O)perational | I/O | I/O |

STATUS OF PROJECT PURPOSE INDICATORS

| | EOP | Actual to Date | Countries |
|---|-----|----------------------------|---|
| Goal: Strategic Objective | | | |
| A. Broad Based Sustainable Economic Growth | | | |
| 1. Create and/or Strengthen Credit Unions | | | |
| Indicators | | | |
| ❖ New credit union movements initiated | 3 | 6 | Latvia/Lithuania Czech Republic Madagascar Ukraine Romania Macedonia |
| ❖ Absolute increase in credit union membership (millions) | 3 | See Note (page 8) | |
| ❖ Population penetration increases in WOCCU project countries | .6% | See Note (page 8) | |
| ❖ Savings & loan market share increases in WOCCU project countries | .6% | See Note (pages 9 & 10) | |
| ❖ Financial stabilization programs established | 3 | 2 | Poland Sri Lanka |
| ❖ Financial management rating/classification systems implemented (CAMEL & PEARLS, etc.) | 6 | 3 | Bolivia Niger Malawi |
| ❖ Improved quality and diversified supply of products and services in WOCCU project countries, e.g., positive interest rates on savings market interest rates on loans; checking accounts and other new services; hours of operations, etc. | | 19 See Note (page 11) | |

STATUS OF PROJECT PURPOSE INDICATORS

| | EOP | Actual to Date | Countries |
|---|-----|----------------|--|
| 2. Change Policies to Allow Credit Union to Compete as Private Sector Entities | | | |
| Indicators | | | |
| ✧ Specialized credit union legislation drafted | 3 | 8 | Lithuania Russia Poland Czech Ukraine Niger Honduras West Africa |
| ✧ Specialized credit union regulatory systems developed and operational | 1 | 4 | Bolivia Honduras Russia Poland |
| ✧ Policy dialogue resulting in increased public sector accountability and enhanced credit union operating environments | 6 | 9 | Guatemala Lithuania Russia Ukraine Poland Czech Republic Malawi Niger Madagascar |
| B. Democracy | | | |
| 1. Introduce Democratic Principles | | | |
| Indicators | | | |
| ✧ Bylaws amendments or other actions regarding representation structure or term limits at the credit union, national, regional, or worldwide tiers of the international credit union system | 3 | 8 | Malawi Niger Lithuania Poland Russia Czech China (2) |

Notes to Project Purpose Indicators

The population penetration figures represent the change in market share of the credit unions in these countries. The population penetration rates for 1993, 1994 and 1995 are as reported in WOCCU's published annual statistical reports for those years. The population penetration figure is determined by multiplying the percentage of working age population by the total population figure. The number of members is then divided by the result of this multiplication. The percentage of labor force was obtained from the Human Development Report of the UNDP. Population figures were determined from the International Financial Statistics, a publication of the International Monetary Fund. Beginning with WOCCU's published statistical report for 1996, population penetration will be calculated using a different method. Population penetration will be calculated by dividing the number of credit union members by the labor force for that country as indicated on line 67d of the IMF publication previously cited. The figure in the 1996 column below is calculated based on this latter formula. The figure in the "Increase" column reflects the change between the most recent figure and the earliest figure.

Population Penetration

| Country | 1993 | 1994 | 1995 | 1996 | Increase |
|----------------|--------|-------|-------|--------|----------|
| Poland | na | 0.24% | 3.33% | 0.89% | 0.65 |
| Russia | na | 0.01% | 0.01% | 0.02% | 0.01 |
| Ukraine (a) | na | 0.13% | 0.05% | 0.07% | -0.06 |
| Madagascar (a) | na | na | 0.01% | 0.02% | 0.01 |
| Malawi | 0.52% | 0.48% | 0.74% | 0.84% | 0.32 |
| Niger | na | 0.12% | 0.25% | 0.28% | 0.16 |
| Togo (b) | 1.95% | 2.33% | 2.62% | na | 0.67 |
| Bolivia | 2.45% | 3.14% | 4.63% | 5.48% | 3.03 |
| Costa Rica (c) | 10.44% | 10% | 9.59% | 16.69% | 6.25 |
| Guatemala | 2.07% | 2.24% | 2.32% | 3.96% | 1.89 |
| Honduras (c) | 4.65% | 4.91% | 6.51% | 11.64% | 6.99 |

The membership figures below are as reported in WOCCU's published annual statistical reports for 1993, 1994 and 1995. WOCCU's statistical report for 1996 is not yet published. The figures indicated for 1996 are as reported in project progress report and in information obtained from national associations.

Membership

| Country | 1993 | 1994 | 1995 | 1996 |
|-----------------|---------|---------|---------|---------|
| Poland | na | 61,458 | 852,000 | 154,638 |
| Russia | na | 8,580 | 9,590 | 50,000 |
| Ukraine (a) (d) | na | 45,000 | 15,302 | 15,610 |
| Madagascar (a) | na | na | 440 | 1,450 |
| Malawi | 23,930 | 24,113 | 35,676 | 42,156 |
| Niger | na | 4,838 | 10,725 | 12,340 |
| Togo (b) | 38,976 | 46,521 | 56,570 | na |
| Bolivia | 74,979 | 98,765 | 149,670 | 176,557 |
| Costa Rica (c) | 199,433 | 200,000 | 196,663 | na |
| Guatemala | 107,727 | 112,102 | 135,414 | 187,504 |
| Honduras (c) | 135,290 | 147,430 | 188,447 | na |

- (a) Project started in 1995
 (b) Project ended in 1994
 (c) Project ended in 1995
 (d) Figure provided for 1994 was an estimate. Figures for 1995 and 1996 are actuals.

The table below represents the change in loan market share for credit unions in these countries. Loan market share is determined by dividing the amount of loans outstanding as reported by the national associations by the US dollar equivalent of the amount on line 32d for that country in the International Financial Statistics, a publication of the International Monetary Fund. The figure in the "Increase" column reflects the change between the most recent figure and the earliest figure.

Loans Market Share

| Country | 1993 | 1994 | 1995 | 1996 | Increase |
|----------------|-------|-------|-------|-------|----------|
| Poland | 0.05% | 0.17% | 0.32% | 0.29% | 0.24% |
| Russia | na | na | 0.01% | 0.01% | 0.00% |
| Ukraine (a) | na | na | 0.09% | 0.14% | 0.04% |
| | | | | | |
| Madagascar (a) | na | na | 0.00% | 0.00% | 0.00% |
| Malawi | 1.27% | 1.10% | 2.19% | 3.30% | 2.03% |
| Niger | na | 0.13% | 0.38% | 0.64% | 0.51% |
| Togo (b) | 1.99% | 2.39% | 3.61% | na | 1.62% |
| | | | | | |
| Bolivia | 7.12% | 9.69% | 3.01% | 3.21% | -3.91% |
| Costa Rica (c) | 6.02% | 5.98% | 9.05% | 5.62% | -0.40% |
| Guatemala | 1.59% | 1.77% | 1.98% | 1.95% | 0.36% |
| Honduras (c) | 6.82% | 7.20% | 8.61% | 7.78% | 0.96% |

The loans outstanding figures below are as reported in WOCCU's published annual statistical reports for 1993, 1994, and 1995. WOCCU's statistical report for 1996 is not yet published. The figures for 1996 are as reported in project progress reports and from information obtained from national associations.

Loans Outstanding

| Country | 1993 | 1994 | 1995 | 1996 |
|----------------|---------------|---------------|---------------|---------------|
| Poland | \$4,064,039 | \$18,060,405 | \$33,372,400 | \$55,935,494 |
| Russia | na | na | \$1,341,466 | \$2,104,552 |
| Ukraine (a) | na | na | \$502,154 | \$809,885 |
| | | | | |
| Madagascar (a) | na | na | \$0 | \$2,155 |
| Malawi | \$2,017,544 | \$872,076 | \$1,727,714 | \$3,052,173 |
| Niger | na | \$174,542 | \$503,835 | \$516,679 |
| Togo (b) | \$6,882,115 | \$4,545,579 | \$6,921,771 | na |
| | | | | |
| Bolivia | \$170,878,000 | \$252,108,000 | \$86,355,172 | \$106,629,502 |
| Costa Rica (c) | \$75,590,212 | \$76,127,493 | \$122,280,512 | \$84,200,000 |
| Guatemala | \$20,311,590 | \$27,996,249 | \$39,552,430 | \$50,489,691 |
| Honduras (c) | \$47,625,811 | \$49,167,390 | \$58,837,544 | \$66,627,042 |

- (a) Project started in 1995
(b) Project ended in 1994
(c) Project ended in 1995

The table below represents the change in savings market share for credit unions in these countries. Savings market share is determined by dividing the amount of savings as reported by the national associations by the US dollar equivalent of the amount on line 35 for that country in the International Financial Statistics, a publication of the International Monetary Fund. The figure in the "Increase" column reflects the change between the most recent figure and the earliest figure.

Savings Market Share

| Country | 1993 | 1994 | 1995 | 1996 | Increase |
|----------------|--------|--------|--------|--------|----------|
| Poland | 0.03% | 0.10% | 0.13% | 0.22% | 0.19% |
| Russia | na | 0.02% | 0.01% | 0.01% | -0.01% |
| Ukraine (a) | na | na | 0.04% | 0.05% | 0.01% |
| Madagascar (a) | na | na | 0.00% | 0.01% | 0.01% |
| Malawi | 1.16% | 0.98% | 1.58% | 2.75% | 1.59% |
| Niger | na | 0.24% | 0.59% | 0.81% | 0.57% |
| Togo (b) | 4.30% | 5.70% | 8.20% | na | 3.90% |
| Bolivia | 11.16% | 13.28% | 4.33% | 4.56% | -6.60% |
| Costa Rica (c) | 3.64% | 3.36% | 2.49% | 2.39% | -1.25% |
| Guatemala | 1.22% | 1.78% | 2.41% | 2.32% | 1.10% |
| Honduras (c) | 9.77% | 10.77% | 11.70% | 11.02% | 1.25% |

The savings figures below are as reported in WOCCU's published annual statistical reports for 1993, 1994, and 1995. WOCCU's statistical report for 1996 is not yet published. The figures for 1996 are as reported in project progress reports and from information obtained from national associations.

Total Savings

| Country | 1993 | 1994 | 1995 | 1996 |
|----------------|---------------|---------------|--------------|---------------|
| Poland | \$5,221,089 | \$21,490,825 | \$36,628,024 | \$66,230,601 |
| Russia | na | \$2,177,482 | \$1,874,492 | \$2,014,322 |
| Ukraine (a) | na | na | \$554,319 | \$756,811 |
| Madagascar (a) | na | na | \$536 | \$14,025 |
| Malawi | \$2,169,246 | \$985,979 | \$2,005,353 | \$5,471,706 |
| Niger | na | na | \$409,555 | \$554,309 |
| Togo (b) | \$9,730,619 | \$7,265,833 | \$11,488,879 | na |
| Bolivia | \$193,145,000 | \$264,273,000 | \$85,787,931 | \$108,163,027 |
| Costa Rica (c) | \$74,600,212 | \$70,527,118 | \$50,311,166 | \$67,450,000 |
| Guatemala | \$23,797,370 | \$34,879,260 | \$45,003,522 | \$59,740,366 |
| Honduras (c) | \$49,721,054 | \$51,297,630 | \$67,249,733 | \$76,551,520 |

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- (a) Project started in 1995
(b) Project ended in 1994
(c) Project ended in 1995

Improved Quality of Financial Products and Services

- Credit unions moved to market interest rates in: Niger (1), Malawi (1), Kenya (1) and Bolivia (1)
- Credit unions began computerization of services for faster and lower transaction cost member service in: Guatemala (1), Cameroon (1), Benin (1), Togo (1), and Poland (1)
- Credit unions improved financial management disciplines of providing for loan losses, capitalization of earnings and delinquency control in Honduras (1)
- Credit unions offered withdrawable deposit instruments to mobilize increasing volumes of savings in: Malawi (1), Bolivia (1), and Costa Rica (1)
- Credit unions in Poland improved their services to members by offering the following products and services: life insurance (1), ATM (1), audit union (1)
- Credit unions in Ukraine improved their services to members by offering the following services: training schools (1), model credit unions serving as training centers (1), twinning and internships (1)

Summary of Project Activities

Project Development

1. *Project proposals submitted:*

Africa

- Mini-proposal to USAID Microenterprise Office for PRIME funding to help offset a shortfall in ARP funding due to AID budget cut for the ARP
- "Expanding Credit Union Services to the Microenterprise Sector in Kenya" - USAID
- Mozambique, concept paper for a pilot credit union development project, "Credit Union Development in Mozambique: Creating a Sustainable Model for Lusophone Africa" - USAID
- Africa Credit Union Revitalization Program buy-in - Irish League of Credit Unions Foundation
- Africa Computerization Project - USAID
- Malawi follow on project - USAID
- Niger Credit Union Development - World Bank
- Senegal Project Proposal - USAID
- Togo Credit Union Stabilization Program - USAID
- West Africa Regional "Sustainable Approach to Financial Services for Small-Scale Entrepreneurs in West Africa" - USAID
- Madagascar - Development of Mutual Savings and Credit Cooperatives to Serve Livestock Producers in the Fianarantsoa Region to Madagascar - World Bank
- Southern Africa - Strengthening Private Sector Democratic Institutions: Credit Union Development - USAID
- Madagascar "Development of Mutual Savings and Credit Cooperatives to Serve Livestock Producers in the Fianarantsoa Region of Madagascar" - World Bank

Asia

- Sri Lanka Business Proposal, "SANASA Movement Strengthening: Forming an Institutional Development Unit" - USAID
- Sri Lanka concept paper, "SANASA Movement Strengthening: Forming an Institutional Development Unit" - USAID
- China Project Proposal - Credit Union Foundation (USA)
- Philippines Credit Union Strengthening Project - Asian Development Bank
- Philippines - Expanding Credit Union Microenterprise Services to Poor and Low Income Citizens of the Philippines (joint venture with Freedom from Hunger) - USAID
- Sri Lanka - Project Proposal - PACT and CARE
- Indonesia - Microenterprise Innovation Project Proposal - USAID/Indonesia
- Indonesia - Microenterprise Financing in Indonesia: Setting the Stage for Credit Union Innovation - Citicorp Foundation
- Philippines - Credit Union Governance and participation Concept Paper

Europe

- Bulgaria, "Enabling Cooperative Financial Sector Development in Bulgaria" - USAID
- Eastern Europe Prudential Safety & Soundness Project - KPMG Peat Marwick
- Latvia & Lithuania Project Proposal - USAID
- Romania Joint OCDC Project Proposal - USAID
- Russia "Coordination & Support of League Development" - Credit Union Foundation (USA)
- Ukraine "Expanding and Improving the Delivery of Savings and Credit Services to Individual Consumers and Producers in Ukraine" - USAID
- West Bank/Gaza "Credit Union and Cooperative Approach to Financial Services" - USAID
- Poland - Project Amendment to extend current project for two years entitled "Building the Polish Savings and Credit Union System - Phase II".
- Romania - Introducing Savings and Credit Associations in Romania - USAID
- Macedonia - Project Proposal entitled "Application for the Development of User-Owned Rural Financial Institutions in FYR Macedonia - USAID/Macedonia
- Ukraine - Revised Project Proposal entitled "Expanding and Improving the Delivery of Saving and Credit Services to Individual Consumers and Producers in Ukraine through Democratically Controlled and Member Owned Savings and Credit Unions - USAID/Ukraine
- Russia - Credit Union Development Proposal entitled "Outline of Proposed Assistance to the Pragma Agricultural Privatization - PRAGMA

Latin America/Caribbean

- Central American Credit Union Development Concept Paper - InterAmerican Development Bank
- Ecuador Microenterprise Project Proposal - USAID
- El Salvador Credit Union Development Concept Paper - USAID
- El Salvador CRECER Project - USAID/Chemonics
- Guatemala Cooperative Strengthening Project II - USAID
- Jamaica Project Proposal - InterAmerican Development Bank
- Mexico Project Design Proposal - InterAmerican Development Bank
- Nicaragua project Design Proposal - InterAmerican Development Bank
- Peru Credit Union Strengthening Project - InterAmerican Development Bank
- Trinidad & Tobago Project Proposal - InterAmerican Development Bank
- Ecuador Microenterprise Project Final Proposal - USAID
- Trinidad and Tobago - Credit Union Strengthening Project Proposal - IDB
- Haiti - Florida Credit Union Development Assistance in Haiti - Florida Governor's Office
- Peru - Credit Union Development Assistance Concept Paper - World Bank
- Jamaica - Strengthening of the Jamaican Cooperative Credit Union - Inter-American Development Bank
- Guyana short-term credit union development program - IDB

Multi-Regional

- Cooperative Development Program, "Meeting Financial Service Needs Through Sustainable Credit Union Systems" - USAID
- Microenterprise Innovation Project Proposal - USAID
- MicroBanker/Credit Union Software Development - FAO
- WOCCU People-to-People Program - Credit Union Foundation (USA)
- Microenterprise Innovation Project Microserve - Development Alternatives, Inc.
- People to People Matching Grant Proposal - AID\Washington

2. *Projects funded:*

Africa

- Madagascar Livestock Sectorial Support Project - World Bank, \$229,300, 1 year
- Africa Regional "Financial & Institutional Revitalization of African Credit Unions: A Market-Based Approach" - USAID, \$4.1 million, 5 years
- Africa Computerization Project - USAID, \$100,000, 2 years
- Madagascar Credit Union Development - World Bank, \$503,800, 2 years

Asia

- Philippines "Expanding Credit Union Microenterprise Services to Poor and Low Income Citizens of the Philippines" - USAID, \$2.7 million, 4 years

Latin America

- Jamaica - IDB, \$1,000,000, 4 years
- Belize/Dominica Financial Analyses - DAI, \$63,000, 1 year
- El Salvador Design Phase/CRECER Project - USAID, \$23,072, 4 months
- Guatemala Cooperative Strengthening Project II - USAID, \$833,937, 3 years
- Honduras Small Farmer Organizations Strengthening Project II - USAID, \$678,989, 1.5 years
- Mexico Project Design Proposal - IDB, \$30,000, 3 months
- Ecuador Microenterprise Project: \$2,000,000
- El Salvador: USAID, \$1,719,992, 5 years
- Nicaragua, USAID, \$4,507,766, 4.5 years

Europe

- Latvia & Lithuania "Introducing Democratic Financial Institutions into the Latvian and Lithuanian Marketplace" - USAID, \$1.8 million, 3 years
- Macedonia: \$4,094,864
- Romania: \$1,000,000
- Poland (amendment): \$1,400,000
- Ukraine: \$1,000,000

Multi-Regional

- Cooperative Development Program, "Meeting Financial Service Needs Through Sustainable Credit Union Systems" - USAID, \$3,000,000, 5 years
- MicroBanker Credit Union Software Development - FAO, \$51,500, 1 year
- WOCCU People-to-People Program - Credit Union Foundation (U.S.), \$120,000 one year

3. *Project development discussions held:*

- Discussions with representatives of Development Alternatives International regarding collaboration on joint proposals for potential programs in Trinidad, Kazakhstan and Kyrgyzstan; representatives of World Bank regarding publication of case studies; and representatives of InterAmerican Development Bank regarding implementation of a credit union research conference and publication.
- Regional strategies discussed with leadership of CU movements, WOCCU projects in Europe and USAID staff.
- Support is still being offered to the CU fledgling movements of the Czech Republic, Russia and Hungary. Support goes from providing information on legislation to coordinating contacts with developed movements or identifying consultants.

Africa

- Davis, CA: Joint collaboration with another development agency, Freedom for Hunger (FFH), for a potential credit union/education program in Togo.

Europe

- Russia - discussion with Board of Russia Credit Union League on issues related to credit union development in Russia and carry out assessment of league operations

Technical Assistance

- Perform research on model credit union building process, identification of main subject areas in which tools need to be developed, and draft outlines for the contents of such tools to be further refined into a set of model credit union tools monographs
- Draft a policy handbook containing suggested policies for the model credit union to be used as a basis for developing credit union policies
- Develop a strategy for marketing WOCCU programs and services to include a membership awareness campaign and marketing strategy which will lead to diversifying WOCCU's income sources

Africa

- South Africa - assess current condition of the Savings and Credit Cooperative League of South Africa (SACCOL) including a review of its development strategy, condition of credit unions and an evaluation of potential for market expansion
- Kenya - assess capacity of credit unions to expand microenterprise services to existing and potential members; carry out financial, policy and operational analyses
- Kenya - develop potential buy-ins to African Revitalization Program
- Madagascar - develop implementation program for potential project
- Cameroon Computerization
- Malawi Computerization
- Senegal Credit Union Assessment
- Togo Computerization
- South Africa - Credit Union Financial/Institutional Analysis
- Niger - Strategic Planning
- Africa Revitalization Project (ARP) - Incentive Program Design
- ARP - Brochure Design
- ARP - Strategic Marketing Plan

Asia

- Uzbekistan - introduce the credit union concept to women's associations and advise credit union promoters on the pre-conditions and constraints to successful credit union development in the post-Communist environment
- Bangladesh - program development fieldwork to ascertain movement interest in and capacity to partner in a development program and, if warranted, prepare concept paper for such a program
- Uzbekistan - determine potential for credit union development in the Ferghana Valley for a private farmers association credit union
- Sri Lanka - Joint Monitoring Mission

- Sri Lanka - Financial Performance Reporting to establish first and second tier organization monitoring systems
- Sri Lanka - in collaboration with other international experts, designed plan for the national association to implement a commercial bank start-up

Europe

- Moldova - conduct a credit union development feasibility study
- Bulgaria - determine the potential for sustainable credit union development by performing an analysis of the current economic, legislative and political environment
- Lithuania Credit Union Act Summary Evaluation
- Russian Credit Union Development Assessment
- Ukraine Legislation/Regulation/Bylaws workshop
- Poland - Non-Cash Payment Systems
- Russia - Credit Union Operations in Ekaterinburg, Chelyabinsk, and St. Petersburg
- Ukraine - Mid-term Project Evaluation
- Latvia - Assessment of CU law - suggestions for amending Status of National Association
- Latvia - Evaluation of Railroad Employees Credit Union
- Ukraine - Restructuring of National League and WOCCU project
- Poland - Deposit Protection Plan

Latin America/Caribbean

- Guyana - conduct an assessment of loan underwriting practices and policies, pricing, policy formulation, and marketing of loan products and provide recommendations
- Guatemala - assess credit analysis, risk assessment and credit administration practices
- Guatemala - assess financial services provided by the central finance facility, use of current services, and need for additional services
- El Salvador & Ecuador - model credit union workshops
- Mexico - Legislation/Regulations Assessment
- Mexico - Financial Assessment
- Nicaragua - Project Design
- Nicaragua - Seminar Design
- El Salvador - FEDECREDITO and FEDECACES Institutional and Prudential Supervision Assessment - Inter-American Development Bank
- Credit union diagnostics for start-up of Ecuador and El Salvador projects.
- Selection of marketing technician for El Salvador project.
- Honduras - Evaluation of Computer System, Evaluation of Credit Union Manuals, Creation of a Survey Tool
- Costa Rica - Stabilization Fund Feasibility Study
- Caribbean Region - Prudential Standards Manual
- Honduras - Development of Checking Services
- Honduras - Final Project Evaluation
- Honduras - Investigation of the Sustainable Economic Growth in Honduras
- Costa Rica - Strategic Planning
- Costa Rica - Development of a Marketing Strategy
- Costa Rica - Implementation of the Marketing Strategy
- Nicaragua - Credit Union Diagnostics
- Nicaragua - Safety and Soundness Seminar
- Guyana - Credit Union Diagnostics
- Guyana - Credit Union Movement Analysis
- Suriname - Credit Union Diagnostics
- Suriname - Credit Union Movement Analysis

- El Salvador - FEDECREDITO and FEDECACES institutional and prudential supervision assessment - Inter-American Development Bank

Training

1. *Training activities undertaken:*

A workshop for all WOCCU project advisors and home office staff was held in Madison to provide an opportunity for the advisors to share experiences and lessons learned across regions.

Africa

- Africa Project Advisor's Workshop was held in Kenya to allow for a greater understanding of credit union development in the African context, to discuss development program approaches, share information across projects, and discuss new project opportunities in Africa
- South Africa - follow up to Leadership Awareness Program to draft a report to SACCOL on the team's findings and make recommendations
- South Africa - the People-to-People Leadership Awareness Program fielded a team to develop a partnership program with the South Africa Credit Union League (SACCOL), to promote savings and credit union development and explore the potential for technical exchange programs between the US movement and SACCOL
- Africa Region - 4 symposia on movement revitalization
- Malawi - Training Program for Managers & Bookkeepers
- Niger - Training Program for Registrar
- Niger - Training program for President/National Promotion Committee, Regional Manager/Maradi, and Inspector
- Credit union training for the Accountant of the Niger Credit Union Federation
- Internship/US
 - ✧ Kenya - Credit Union General Managers - 2
 - ✧ Cameroon - Credit Union General Managers - 2
 - ✧ Malawi - Credit Union Regional Manager - Basic Management Skills
 - ✧ Malawi - Credit Union Director - People to People Speaker Program
 - ✧ South Africa - Credit Union Member Services Manager - Credit Union Operations

Asia

- ACCU Annual National Association CEO Workshop
- India Strategic Planning Workshop
- ACCU Regional Workshop on Financing of Small-Scale Project for Low-Income Earning Members of Credit Unions
- Internship/US
 - ✧ ACCU - Central Finance operations for ACCU General Manager

Europe

- Europe Project Advisors Workshop was held in Ukraine to provide an opportunity to share information across projects, discuss development approaches, and discuss new project opportunities
- Participation in the Serving the Underserved conference sponsored by the National Federation of Community Development Credit Unions with a view to expanding and building the synergy between the US movement and WOCCU development activities

- Training seminar put on by WOCCU for a team of Bulgarian trade union representatives
- Training seminar put on by WOCCU for a large group of bankers visiting from NIS countries
- Latvia - regional workshop for all WOCCU Europe project staff and representatives of other organizations implementing programs in the region. Focus was on grassroots development and included discussions on training materials, legislation, computerization, insurance and financial management among other things.
- Latvia - MicroBanker Training in Thailand
- Lithuania - MicroBanker Training in Thailand
- Russia - Visit to U.S. Credit Union by Russian League Secretary
- Ukraine - Computerization Training in U.S. Credit Union
- Latvia/Lithuania - Credit Union Operations, Credit Union Legislation, Accounting and Software
- Internships/US
 - ✧ Latvia - Credit Union Development Specialist, Trainer, Administrative Assistant
 - ✧ Lithuania - Credit Union Development Specialist, Trainer, Computerization Specialist, Administrative Assistant
 - ✧ Russia - Executive Director/National Association
 - ✧ Ukraine - President/National Association
 - ✧ Ukraine - Computerization specialist trained in Ukrainian-American Credit Union

Latin America/Caribbean

- El Salvador - train credit union and project personnel in developing credit union marketing programs
- Bolivia - regional workshops on credit administration, delinquency control and loan granting procedures
- Trinidad and Tobago - Seminar on Member Surveys, Marketing, and Services
- Grenada - Workshop on Credit Union Operations
- Honduras - Financial Administration Workshop
- Caribbean Region - Stabilization Fund Feasibility Study
- Dominica - Strategic Planning Seminar
- Internship/US
 - ✧ Honduras - Two groups of 20 Hondurans trained in Corporate Central (liquidity management) and Corporate Services (credit cards, checking) functions
 - ✧ Bolivia - U.S. credit Union operations training for project marketing and financial technicians
 - ✧ St. Kitts - Credit Union Assistant Manager and Accountant
 - ✧ Jamaica - Credit Union General Managers - 3
 - ✧ Ecuador - Credit Union General Manager - 1
- Internship/Guatemala
 - ✧ Ecuador - Credit Union General Manager - 1

2. *Technical products prepared:*

- Europe - training and promotional materials were translated into languages of project countries
- Bolivia - credit administration manuals translated into Spanish for use there and in other Latin American countries
- Pilot Deposit Scheme - training guide and materials
- InfoCoopec (credit union accounting software) - English version with Users Manual
- CUDBASE (a comprehensive institutional monitoring system software) and Users Guide
- PEARLS Rating System Manual

- Annex to PEARLS Rating System Manual
- Information on credit unions and how to develop credit unions was sent to groups interested in developing credit unions in the Kyrgyz Republic and Uzbekistan. Communications with various consultants led to two volunteer consultancies in Uzbekistan organized under the auspices of the Winrock Foundation. WOCCU assisted in identifying and coordinating experts from the U.S. credit union movement to go to Uzbekistan
- WOCCU Madison Staff presented a workshop seminar on the conceptual framework for credit unions and the federation modernization in El Salvador.
- Updated CUDBASE computerized credit union monitoring and rating system for Africa Revitalization Project
- Model Credit Union Notebook
- The New Credit Union Model (monograph)
- Implementation Methodology (monograph)
- Human and Financial Project Resources (monograph)
- InfoCoopec computerized accounting software adapted for Russia and Ukraine
- Translation of the Credit Union Handbook in Latvian and Lithuanian
- Adaptation of MicroBanker Software for Lithuanian Credit Unions

Policy Leadership

- Participation in the National Federation of Community Development Credit Unions annual meeting which provided an opportunity for networking with potential host credit unions for future WOCCU internships and collaboration on WOCCU programs in Central & Eastern Europe
- Coordinate WOCCU's membership structure and strategic planning process which includes the review of WOCCU's mission and purpose, member expectations and satisfaction, membership structure, dues and other issues
- Meetings with Irish League of Credit Unions, Irish Credit Union Foundation, and Développement International Desjardins to coordinate work in Russia and formulate a plan for eventual removal of subsidy to the Russian movement
- International Credit Union Congress held in Latin America to give participants in the region an opportunity to share success stories and difficulties experienced
- WOCCU staff presented lectures on credit union development and service to members at the 1996 WOCCU Regional Educational Conference
- Participation in Asian Confederation of Credit Unions workshop addressing issue of "To Be or Not to Be in The 21st Century"
- Europe - research & development of regional strategy for credit union development in Central and Eastern Europe
- Paper on "Women & Credit Unions - Lessons Learned by WOCCU" presented at ACCU Annual General Meeting
- International Credit Union Forum, Cork, Ireland sessions on: Safety & Soundness, Market & Service Development, Values & Principles, Cooperative Financial Institutions and the European Union, and Credit Union Development Strategies
- Senegal - Assisted in generating policy for rural finance sector development.
- Consultation Visit to Malawi by WOCCU and ACCOSCA leadership and management
- Niger Credit Union Forum - Sessions on self-sufficiency, gender issues, central finance, and leadership development
- "Poverty Alleviation: The Role of Credit Institutions vs. The Role of Financial Intermediaries" presented at ACCU Regional Workshop
- ACCU's CEO Advisory Meeting, Open Forum and 14th Annual General Meeting
- Visit of representatives of the Rural Credit Cooperatives (RCC) of the Republic of China to WOCCU's headquarters

- Visit of Russian League's secretary to Educators credit union in Nassau
- Foundation for Polish Credit Unions Conference
- Visit of the Malawi Railway Credit Union's Director and General Manager
- Changes to WOCCU By-laws, Policies, and General Policies considered by WOCCU Executive Committee for presentation to WOCCU General Assembly.

Management Information

1. *The following analytical/evaluative information products were published:*

- Development program monitoring tool based on the PEARLS ratios developed and refined with delinquency tool to be added
- Development work was completed on the PEARLS monitoring system for use in WOCCU project countries
- El Salvador - member impact surveys and database design
- 1993 Annual and Statistical Report, "Building on the Basics"
- Analytical report on "The Effects of Using Credit Unions as On-lending Agents for External Lines of Credit"
- Evaluation/Research Monographs: "Credit Unions Retooled: A Road Map for Financial Stabilization;" "Financial Market Niche, Member Behavior Profile - Credit Union in Guatemala, 1987 - 1992;" "Impact of Credit Unions in Financial Markets in Guatemala"
- Europe - annual planning was carried out in January.
- Project monitoring management information systems were developed and implemented in both Ecuador and El Salvador. These systems incorporate the PERLAS Financial Indicators into a database system. This allows the user to define queries and evaluate the information using given parameters such as membership size, loan portfolio size, etc.
- The Latin American/Caribbean Region completed its corporate capabilities statement.
- Malawi Credit Union Impact Survey
- Malawi Credit Union Project Evaluation
- Niger Credit Union Impact Survey
- Malawi Union of Savings and Credit Cooperatives - Member Services Survey (monograph)
- Credit Unions in the Financial Markets in Niger

2. *Internal WOCCU Management Information Systems developed/enhanced:*

- The Global Credit Union Network concept has been developed and steps are being taken to implement this network which will take advantage of Internet technology to allow the international credit union system to exchange and share information on lessons learned and best practices
- As a follow-up to WOCCU's restructuring, the Head of the Europe Unit led the Finance Committee's initial efforts to analyze the appropriate structure for the Technical Services Department to best respond to credit union development needs.
- Support and information was provided for the USAID Core Grant Evaluation Team in February.
- Data Base for International Credit Union Movement Statistics completed
- InMagic Information Data Base expanded
- PEARLS Monitoring System (abbreviated version) for measurement of WOCCU project performance completed