



World Council of Credit Unions, Inc.

**SEMI-ANNUAL REPORT
COOPERATIVE DEVELOPMENT PROGRAM
FAO-A-00-97-00008-00**

WORLD COUNCIL OF CREDIT UNIONS, INC.

JANUARY 31, 2000 TO JULY 1, 2000

WCCU

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Bulgaria:

In January, project staff received training in the areas of Model Credit Union Building and PEARLS. In addition, project staff attended a regional WOCCU staff workshop in Skopje, Macedonia along with participants from Romania, Macedonia, Poland, and Lithuania. The six-day session involved learning about the analysis of PEARLS ratios and the use of WOCCU's integrated business planning tool. In March, the PEARLS 2000 software was installed, and project staff was trained in its use.

A project partners meeting with USAID and KNSB was hosted by WOCCU / Bulgaria. The objective of the meeting was to understand the vision of each organization and how each compliments the vision of the Modernization of the Bulgarian Mutual Kasa System project. The main resolutions of the meeting consisted of the following: 1) Emphasizing KNSB's role as leaders to promote the project through their relationship of trust and confidence they have with their member kasas; 2) Increased communication and coordination between KNSB and project; 3) Capitalizing on partnerships and synergies among other institutions and USAID projects that have common objectives in promoting private sector development; and 4) Finalizing a Memorandum of Understanding with CITUB/KNSB to define WOCCU's role and KNSB's role in the project.

Sara Hanselman and Kathy Kanipe of the Ohio Credit Union League traveled to Bulgaria to help with the selection of the kasas (credit unions) for the implementation of the institutional strengthening technical assistance project. In addition, they also performed financial and institutional diagnostic of selected kasas and conducted recruiting workshops to identify potential kasas.

Romania:

12 CARs were selected to participate in the WOCCU/Romania project. Selected CARs are affiliated at 7 Territorial Associations of CARs and they represent various industries as well communities in three cities.

WOCCU and UNCAR signed the Memorandum of Understanding. WOCCU signed Cooperative Agreements of Technical Assistance with the 12 selected CARs and invited the respective UTCARs to sign MOUs written on the basis of the one already signed with UNCAR.

PEARLS 2000 computer program was introduced to WOCCU/Romania staff in December 1999. PEARLS 2000 computer program was translated to Romanian.

South Africa:

Jesus Chavez the Project Advisor for Jamaica traveled to South Africa to review the SACCO's saving practices and operations. Mr. Chavez provided technical training in savings mobilizations, pricing, savings protection and financial disciplines for the SACCO's managers. Recommendations were then made for uniform savings policies and forms and for marketing products to the SACCOs.

A survey of micro-finance efforts currently underway in South Africa was conducted. Interviews were held with staff at the various banks and NGOs that are currently promoting micro-enterprise in various parts of the country. This information will be used to formulate a plan for SACCOs to target this market sector.

The South Africa SACCOs are beginning to grow beyond their initial start-up phases, however, existing legislative barriers must be removed to allow growth and to meet the needs of the substantial unbanked population of South Africa. To this end, a delegation from the World Council of Credit unions, Inc., and the Savings and Credit Cooperative Leagues (SACCOL) carried out a review of the legislative environment for SACCOs in earlier April.

Their conclusions were that although the credit union movement of South Africa is in its infancy, during the last 3 years real growth has began. To ensure and encourage unencumbered growth of the movement, existing legislative impediments should be dismantled. It is likely that changes to the legal environment will occur incrementally over time and deposit limits are adjusted, common-bond restrictions are removed, taxation is reduced, regulations are enacted and legal foundations for SACCOs is formally established.

GLOBAL ACTIVITIES

WOCCU HEADQUARTERS STRENGTHENING:

Jackie Bettinger, a consultant, was hired to write for WOCCU an internal evaluation of the Cooperative Development Grant. The consultant also reviewed WOCCU's implementation activities and accomplishments against the proposal submitted to USAID.

This included a review of :

1. (i) proposed activities: Communicating Development Commitment and Results with the US, Development of Credit Union Systems, Building WOCCU Development Capacity, Develop Model Credit Union Documentation and a Certification Program, Project Development Activities, International Credit Union Law Digest and Content Guide, and Broadening WOCCU Funding Base.
(ii) proposed targets and indicators
2. Review WOCCU implementation activities and accomplishments in focus countries. This will include a review of reports, activities, and billings for South Africa, Bulgaria, Jamaica, Brazil, Romania, Uzbekistan.

3. Review WOCCU implementation activities and accomplishments against the annual work plans submitted to USAID.
4. Review and analyze WOCCU expenditures to the CDP Grant, including personnel (by position), travel and consultancies and identify outputs from said expenditures.
5. Identify USAID/PVC strategic objectives and evaluate responsiveness of WOCCU activities and accomplishments to the USAID/PVC Strategic Objectives. Contact USAID/PVC staff person, Peggy Meites at (202) 712 - 1458 or pmeites@aol.com to discuss the WOCCU internal evaluation and identify issues or information which will be useful for the USAID/PVC evaluation scheduled for March 2000.
6. Provide recommendations to WOCCU for:
 - (i.) Completion of the current grant to be responsive to USAID objectives, to be effective in expenditure of resources for maximum output and to complete proposal and work plan activities.
 - (ii.) Proposed new activities for the WOCCU follow-on cooperative development grant proposal. This should include in particular, an assessment of incorporating league to national association partnerships in to WOCCU core grant activities and engaging in new WOCCU - CLUSA and/or WOCCU - Land o Lakes collaborative field activities.

Ms. Bettinger findings would be publisher at a later date.

Doug Metzger, a consultant was hired to review the WOCCU's Legislative Digest; and Model Credit Union Law Content Guide. In addition the consultant help prepare standardized credit union audit guidelines and standard member survey instrument and financial market survey tool.

The purpose of the financial market survey tool is to determine what financial products and services to initially offer based on the market demand. It will be used to conduct market-based geographic and demographic studies and analyze potential market niches for credit unions. Examination of the savings and credit unions' community demographics, economic characteristics and use of financial services are necessary in order to identify the financial product and service needs that the savings and credit union must satisfy; and to identify potential market niches for membership expansion and savings mobilization. The market survey tool will analyze the financial services provided by other financial institutions in a region. The competitive merits and failures of those services will be analyzed, i.e., prices, terms, minimum amounts, convenience, waiting periods, service variety, and sophistication of products.

Brian Branch traveled to Hartford, Connecticut to meet with Marsha Thaler-Smith, Director and Project Development, of International Executive Service Corp (IESC). Mr. Branch and Ms. Thaler-Smith collaborated in the write up of a proposal for Rwanda.

The proposal has three purposes: 1) to strengthen the Rwanda Banque Populaire; 2) expand the range and depth of savings and credit services; 3) expand the access to financial services for small savers and producers in rural communities. The proposal is currently under review by USAID

Lucy Ito traveled to Washington, D.C., to attend the CUNA Governmental Affairs Conference (GAC) meeting and to Chicago, IL to attend the World Affairs Committee Conference.