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The Honorable Patty Murray
Chair
Committee on Appropriations
United States Senate
Washington, DC 20510

The Honorable Susan Collins
Ranking Member
Committee on Appropriations
United States Senate
Washington, DC 20510

Dear Chair Murray and Ranking Member Collins:

On behalf of the Credit Union National Association (CUNA), I am writing regarding the Committee's consideration of the State, Foreign Operations, and Related Programs Appropriations Act for Fiscal Year 2024. CUNA represents America's credit unions and their more than 135 million members. There are over 86,000 credit unions in 118 countries with \$2.6 trillion dollars in total assets serving 291 million members. The Credit Union National Association is also a member of the World Council of Credit Unions (WOCCU), which is the leading trade association and development organization for the international credit union movement.

We are writing in strong support of fiscal year 2024 funding levels of \$50 million for the Cooperative Development Program (CDP); \$30 million to expand for the Credit for Agriculture Producers' (CAP) Technical Assistance Project; and \$50 million to support the efforts of the countries surrounding Ukraine to support reintegration of Ukrainian displaced persons and refugees.

Since 1971, WOCCU has offered nearly 300 technical assistance programs around the globe – all while serving the mission of improving lives through credit unions and other cooperative financial institutions. WOCCU's programs provide education and international networking for the exchange of information and ideas. Through these projects, WOCCU promotes the sustainable development of credit unions and other financial cooperatives around the world to empower people through access to high quality, affordable financial services.

Cooperative Development Program (CDP) Support

CUNA and WOCCU are asking Congress to appropriate \$50 million for the Cooperative Development Program (CDP) in FY 2024 to aid WOCCU's efforts to build cooperative financing programs worldwide. Administered by the U.S. Agency for International Development, the CDP is a global initiative that focuses on building capacity of cooperative businesses and cooperative systems for self-reliance, local ownership, and sustainability.

The Cooperative Development Program (CDP) of the Development Assistance account is in the State-Foreign Operations and Related Programs Appropriations bill. In fiscal year 2023, Congress provided an appropriation of \$18.5 million to be available for cooperative development programs of USAID. This year, we respectfully urge you to increase the funding for these programs to \$50 million.

Speaking more broadly to the CDP program, with their specialized expertise, CDP's implementing partners have advanced cooperative businesses and systems in more than 18 countries in Africa, Latin America, and Asia. Activities are targeted to strengthen cooperative businesses in several ways including improved governance, capitalization, gender empowerment, youth engagement, financial management, market performance, and advocacy. The program also prioritizes collaboration among partners through working groups, cooperative research, learning, and dissemination of cooperative development resources.

During the life of the program, activities have supported more than 500 cooperatives and credit unions with a combined savings of \$495 million. The program has also:

- Provided health insurance and services to more than 42,000 people in Uganda
- Leveraged more than \$95 million of investments for cattle cooperatives in South Africa
- Increased member equity among cacao cooperatives in Ecuador, Peru, and the Dominican Republic by more than \$4 million
- Reformed cooperative law and regulation in Mozambique, Tanzania, Uganda, and Kenya

We therefore urge support of a funding level of \$50 million for the Cooperative Development Program (CDP), administered by the U.S. Agency for International Development, in fiscal year 2024.

Ukraine Efforts

With U.S. government and private U.S. foundation support, WOCCU is working in Ukraine to promote economic freedom and growth, increase financial inclusion, expand rapidly financial access using mobile technology, help farmers and artisans obtain better prices for their goods, and fill the agricultural lending gap to improve food security.

Therefore, we request support for WOCCU's short-term and long-term relief and rebuilding efforts in the Ukraine and surrounding regions vis-à-vis credit unions and their financial infrastructure that are working to address increasing food security issues and other economic needs in that war-torn country and around the world.

Specifically, we are asking Congress to appropriate \$30 million to expand for the Credit for Agriculture Producers' (CAP) Technical Assistance Project to support Ukrainian credit unions in rebuilding their war-torn country. Through this initiative, the U.S. Agency for International Development allows the United Credit Unions of Ukraine to ensure the liquidity of credit unions, access to savings and agricultural loans to support local food security, and other community needs. CAP should be fully funded and expanded to continue when its current authorization expires at the end of fiscal year 2024.

In addition, we are asking for \$50 million to support the efforts of the countries surrounding Ukraine to support reintegration of Ukrainian displaced persons and refugees, enhance local economic stability and growth via investing in credit union financial services provision for agriculture, small business and vulnerable populations, and to mitigate global food insecurity through credit union supported agricultural lending across the region. WOCCU working with the US-led credit unions system can activate the network of cooperative financial institutions to ensure that financing gets to the last-mile, retail level of small farmers, local businesses, and vulnerable populations, especially

women who have been disproportionately affected by the war and are the primary care givers of children and families across the region. Congress should direct U.S. AID to fully fund this effort.

In Ukraine, credit unions are currently one of the only viable options for Ukrainians living in rural communities to access affordable financial services. In addition to supporting Ukrainians in the immediate term, credit unions will have a critical role to play in supporting post-war recovery. WOCCU is uniquely situated to assist with this issue through its existing project working with credit unions in Ukraine.

Specifically, the USAID-funded CAP Project, implemented by WOCCU, has been operating in Ukraine since 2016. Together, USAID and WOCCU have worked in partnership with local stakeholders to 1) increase access to finance for rural and agricultural micro- and small and medium enterprises (MSMEs) to promote economic growth and resilience in rural areas and 2) create a more transparent legal and regulatory framework for inclusive finance. To date, with CAP assistance, partner credit unions have issued 15,446 loans, valuing UAH 599,880,025 (approx. USD 22,492,493) to rural and agricultural MSMEs, of which more than half of the loans are to women.

Following the Russian invasion of Ukraine on February 24, 2022, CAP has been responsive to the market needs, working with credit unions, their national associations, and the National Bank of Ukraine (NBU), the credit union regulator, to ensure that credit unions can remain open and continue to serve their communities, including through access to savings and agricultural loans. CAP work also includes management of a Liquidity Fund that is contributing to filling the liquidity gap to meet the needs of the current agricultural lending season. Furthermore, WOCCU, through its global network of credit unions, is generating financial and logistical support to meet both humanitarian and credit union needs during this time of war.

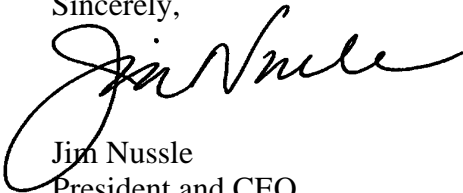
WOCCU is already on the ground and currently working with credit unions (that are still operating) and coordinating efforts with the National Bank of Ukraine (NBU). Credit unions even during the invasion are engaged in agricultural lending as it is planting season (this will help address food insecurity issues). The CAP Project can support the rebuilding of Ukraine in a post-war environment (and during the invasion) to promote economic growth and resilience in rural areas working through its local network of credit unions and partners.

Further, through direct collaboration with its existing credit union partners, the CAP Project will enable efficient access to finance to help Ukrainians recover and rebuild their lives. CAP will build upon its strong relationship with the NBU to rebuild a robust financial sector in rural areas with strong credit unions at its foundation. Resurrecting Ukraine's economy will rely on MSMEs, who will require additional access to finance and business development support services to grow strong enough to benefit all Ukrainians in the post-conflict recovery period.

As mentioned above, we respectfully request that Congress allocate and support WOCCU's efforts in the Ukraine region either through CDP funding or otherwise to specifically assist credit unions that are working to provide critical security and economic assistance to Ukraine. On behalf of credit unions and their millions of members worldwide, thank you for your assistance in ensuring much-needed funding for the Cooperative Development Program and critical support for credit unions' efforts in Ukraine.

On behalf of America's credit unions and their more than 135 million members, thank you for considering our views on this important issue.

Sincerely,



Jim Nussle
President and CEO