



**America's  
Credit Unions**

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The Honorable Ben Cardin  
Chairman  
Committee on Foreign Relations  
United States Senate  
Washington, DC 20510

The Honorable James Risch  
Ranking Member  
Committee on Foreign Relations  
United States Senate  
Washington, DC 20510

Dear Chairman Cardin and Ranking Member Risch:

**Re: Today's Hearing: "FY2025 United States Agency for International Development Budget Request."**

On behalf of America's Credit Unions, I am writing regarding the Committee's hearing entitled, "FY2025 United States Agency for International Development Budget Request." America's Credit Unions is the voice of consumers' best option for financial services: credit unions. We advocate for policies that allow the industry to effectively meet the needs of their nearly 140 million members nationwide. Worldwide, there are over 87,000 credit unions in 118 countries with \$3.4 trillion dollars in total assets serving 393 million members. America's Credit Unions 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 respectfully request that Congress authorize and appropriate funding for WOCCU's efforts in the Ukraine region, Israel, and many other countries either through USAID's Cooperative Development Program (CDP) funding or otherwise to specifically assist credit unions that are working to provide critical security and economic assistance both regions. We are writing in strong support of a fiscal year 2025 funding levels of \$50 million for the CDP.**

As Congress moves forward with consideration of funding for the U.S. Agency for International Development (USAID), it is important to recognize the important history that credit unions have played in responding to disaster and crisis situations. It should be noted that this is not a political position. Credit unions are not an arm of any government, but instead they embrace their philosophy of "people helping people." During a crisis, credit unions become a source of community stability as people come together to see that their families are fed. Small businesses look to their credit unions for financing to keep their people employed. Farmers seek funding to get their crops in the ground.

The credit union cooperative model is unique in that it provides them with the ability to weather financial shocks which draws consumers to them during times of crises. This must be recognized by policy makers to allow credit unions to play an important role in the recovery during a time of economic uncertainty.

Credit unions have a long history of providing this much needed relief. They have reconciled post-civil war economies through credit union reactivation in the Central American nations of Guatemala, Honduras, El Salvador, and Nicaragua. They have empowered township communities through credit union services in post-Apartheid South Africa. They built community reconciliations efforts in post-genocide Rwanda. They rebuilt communities through local credit union leadership after natural disasters including the 2004 tsunami in Sri Lanka, the 2010 earthquake in Haiti and 2017's Hurricane Maria in Puerto Rico, and many others.

With U.S. government and private U.S. foundation support, WOCCU is working in countries like 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. As such, we would urge Congress to support 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 USAID 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 during planting season (to help address food insecurity issues). The CAP Project stands ready to also support the rebuilding of Ukraine in a post-war environment 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. Rebuilding 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.

Turning to the most recent developments of war between Israel and Hamas, WOCCU is also engaging with local partners to assess how it can best support the many civilians and their families on both sides of the war that are at grave risk. Israel has a nascent cooperative finance movement with one credit union which was founded in 2012, with the goal of enabling households and small businesses easy access to credit through peer-to-peer lending while also promoting sustainability and social value. More recently OFEK obtained a formal license to supply banking services. They were founded to provide a fair, viable, modern, and technology-based financial alternative for its members and the Israeli society. They operate with social and environmental values promoting the economic goals of their members. It is positioned to play an important role in addressing the needs of its communities during this crisis. Similarly, in the West Bank and Gaza, where the scale of displacement will exceed those of past conflicts, there are

agricultural cooperatives, financial services providers and non-government organizations that are apolitical, based on needs, and have been present for decades. They should also benefit from United States assistance. WOCCU urges \$10 million in funding to sustainably address the needs of Palestinians displaced during this conflict through an integrated programming of relief, housing support, entrepreneurship, employment, and financial inclusion, through existing financial services providers and cooperative institutions.

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.

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.

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; and
- Reformed cooperative law and regulation in Mozambique, Tanzania, Uganda, and Kenya.

On behalf of credit unions and their millions of members worldwide, thank you for your assistance, for holding this important hearing, and considering our views on these subjects.

Regards,

A handwritten signature in black ink, appearing to read "Jim Nussle". The signature is fluid and cursive, with a large initial "J" and "N".

Jim Nussle, CUDE  
President & CEO