

Expanding Access to Finance to the Bottom Billion Critical Factors

Presentation to UN Preparatory Process/3rd International
Conference on Financing for Development

14 November 2014

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Credit Unions Worldwide

208 million members

57,000 credit unions

103 countries

Source: World Council 2013 Statistical Report

Building a Global Community



The leading international
trade association and development agency
for credit unions worldwide.



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What is World Council?



World Council

AFRICA • ASIA • CARIBBEAN • EUROPE • LATIN AMERICA • NORTH AMERICA • OCEANIA

CREDIT UNIONS WORLDWIDE



Members and affiliates

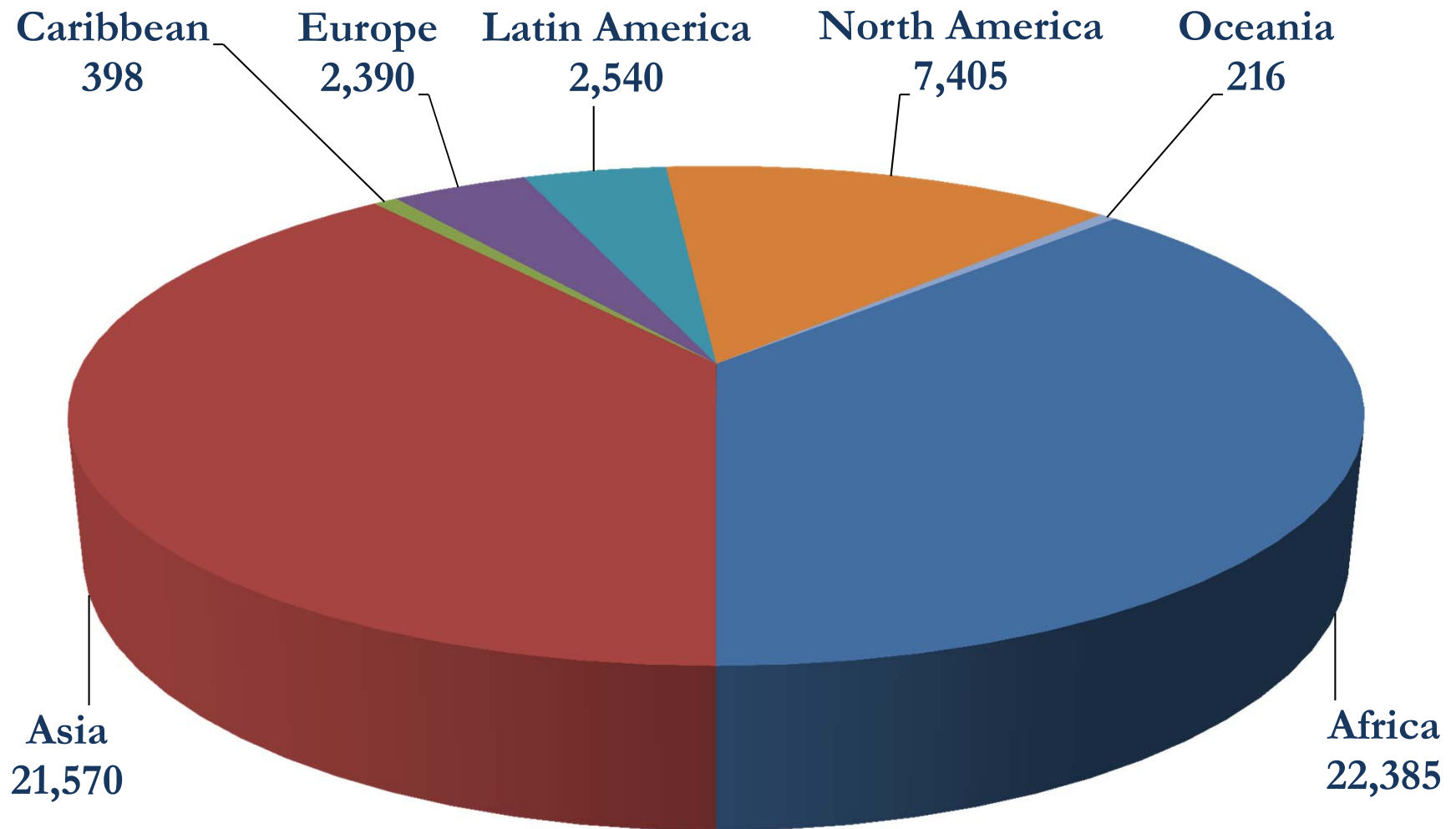


Countries with World Council programs



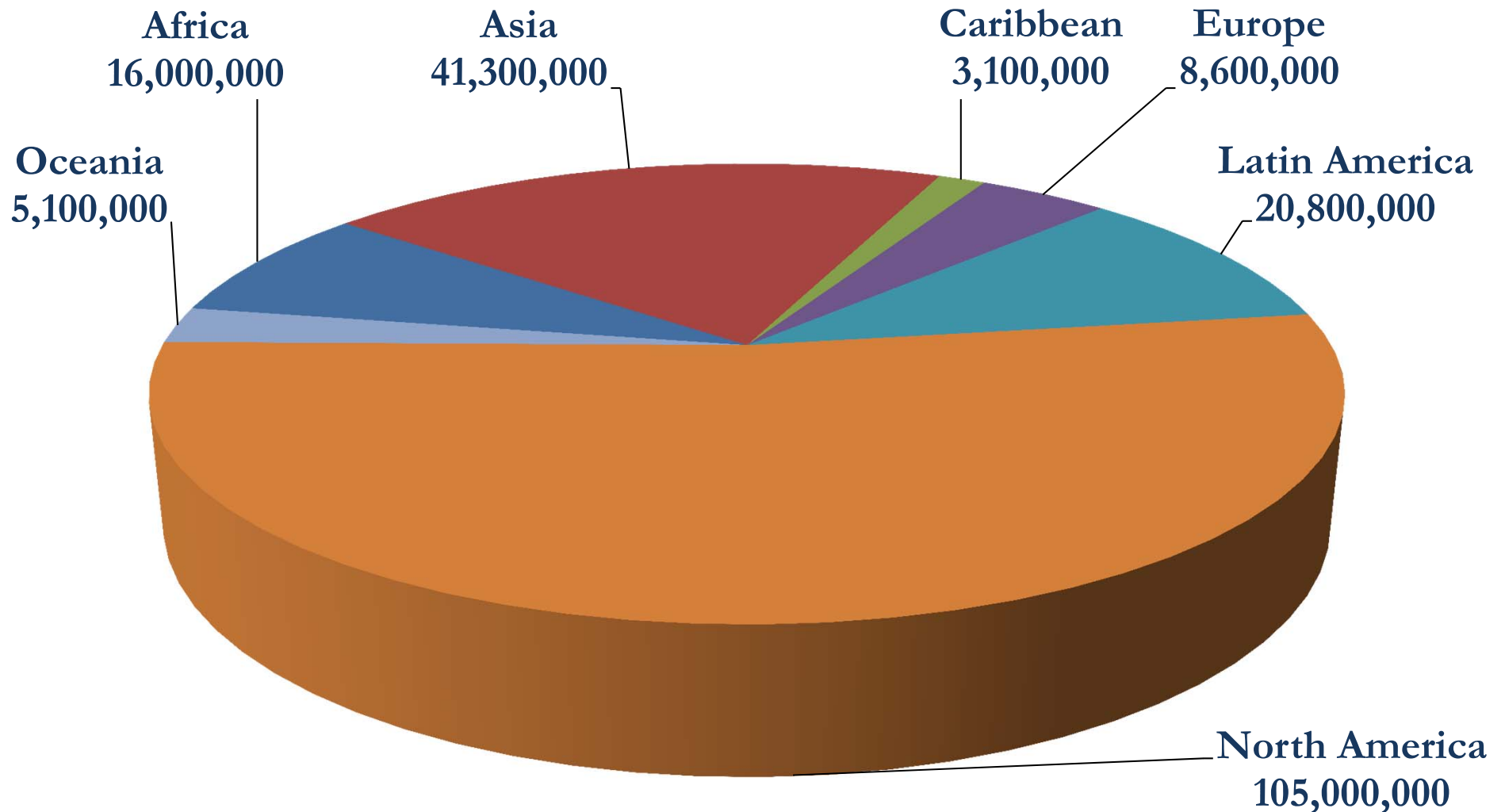
Non-members

Credit Unions by World Region



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Members by World Region



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CU Difference in USA/Int'l

Growth of those banked

1. Focus → Financial inclusion
2. Better rates = Cost savings
3. Higher growth in lending



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Policy recommendations

For lesser developed countries:

1. Develop comprehensive plan for financial inclusion, including credit unions/SACCOs
2. Develop regulatory supervision and examination requirements, including accurate accounting requirements
3. Establish regulatory capital (reserve) requirements



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Policy recommendations

For international actors:

1. Support comprehensive plan for financial inclusion
2. Partner with governments to provide critical TA to financial institutions willing to reach bottom billion
3. Recognize importance of smaller, “micro” efforts vs ‘macro’



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What is Field Agent Banking?

Field Agent Banking is a World Council methodology to deliver financial services to rural communities.

Field Agent Banking:

- Is savings-led financial intermediation.
- Has been successfully replicated by banks, MFIs, and credit unions in several countries.
- Is managed by specialized units within financial institutions.
- Is implemented by field agents who are employees of the financial institution.
- Borrows from group-based outreach methodologies.
- Is focused on rural and semi-rural communities with little or no financial access.



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Savings mobilized

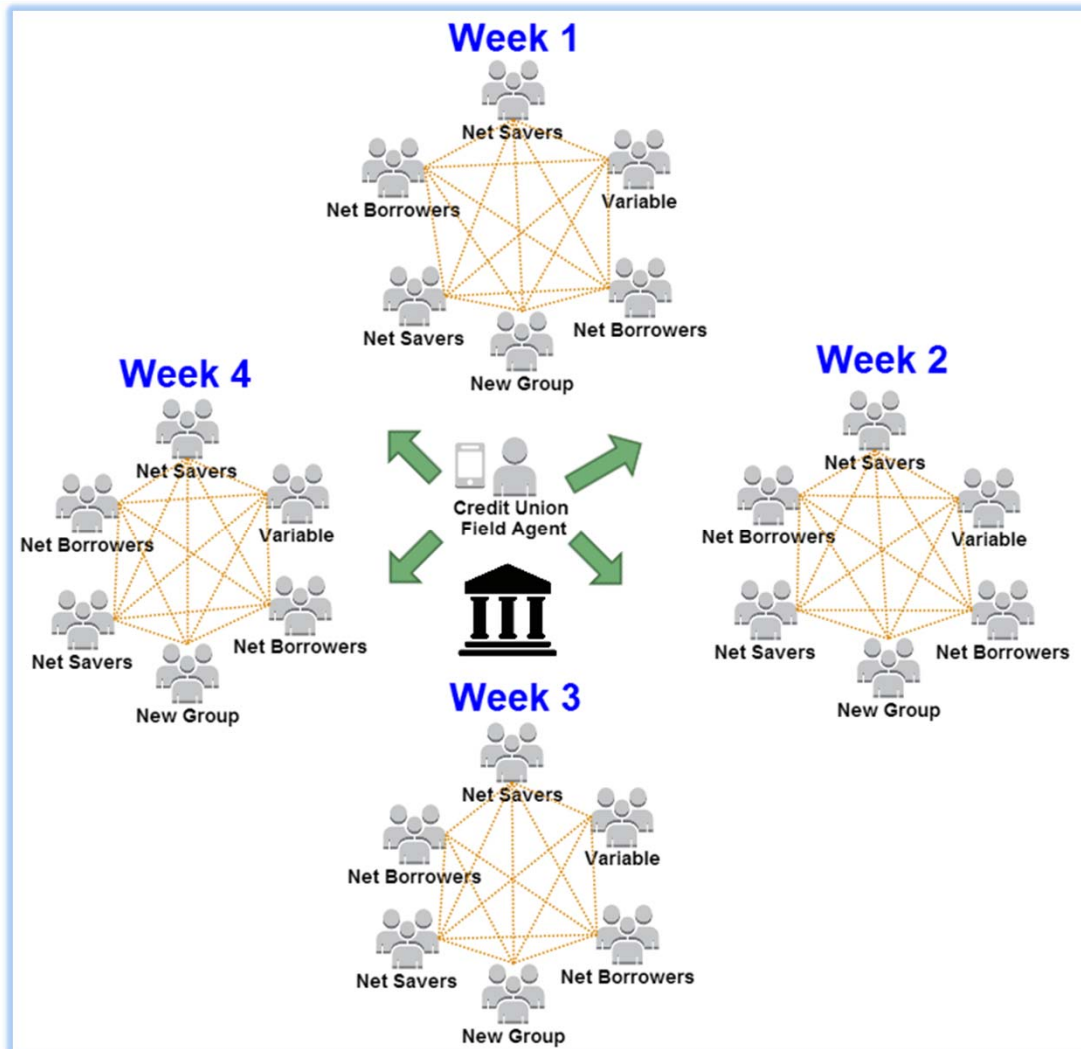
Field Agent Banking
IS NOT solidarity or
group-based lending.

Field Agent Banking
offers individual account-
based savings and credit
products designed
according to client needs
and (repayment) capacity.



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Rural areas accessed



Ideally all branch services are also offered in the field to groups.

A field agent visits each group 2 times per month depending on need.

Using a routing tool, the field agent strategically varies his routes to minimize carrying cash to avoid risk of theft.

Transition to Mobile

Field Agent Banking's use of individual accounts is important for mobile money.

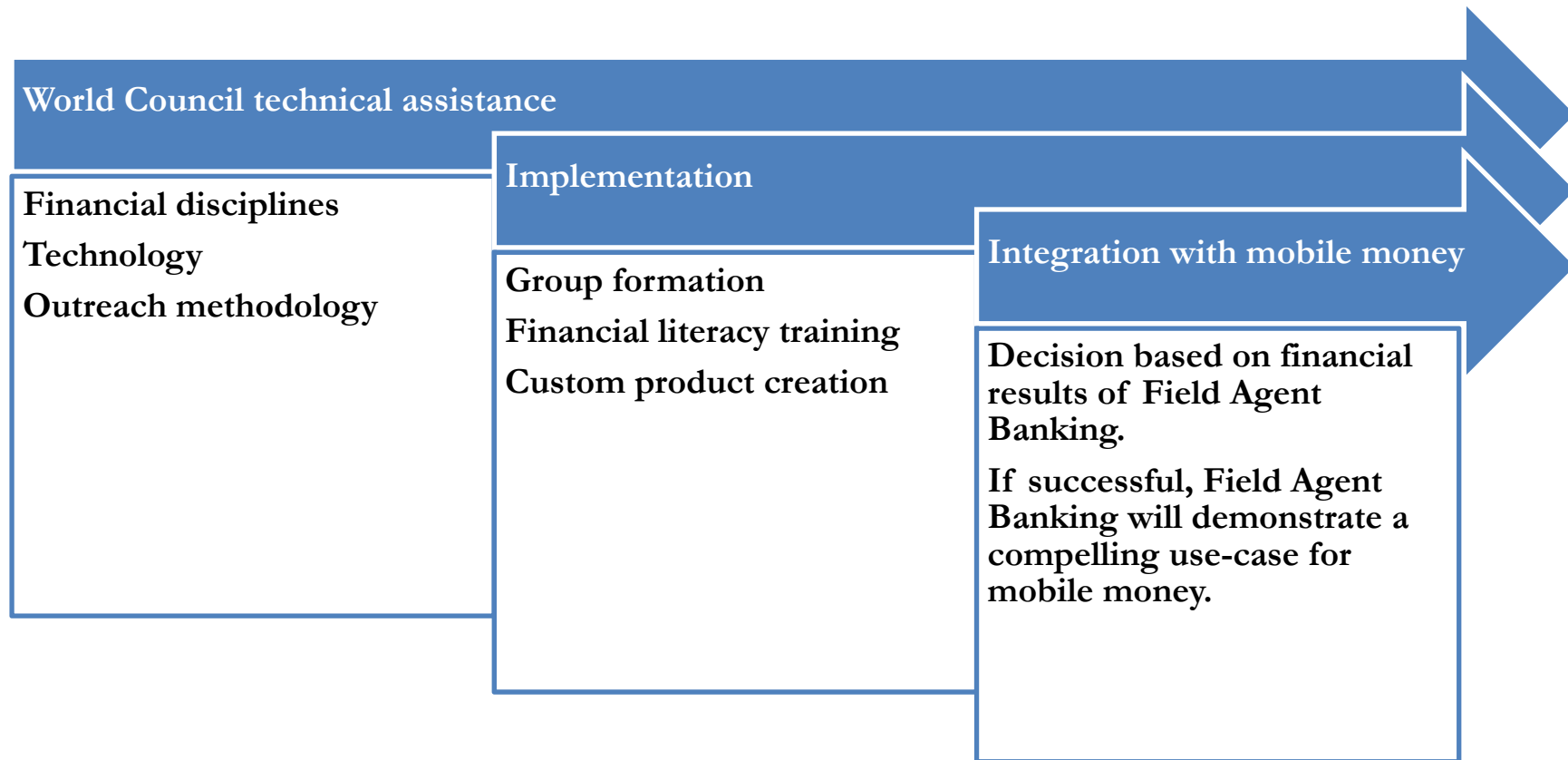
Know Your Customer (KYC) banking requirements require all mobile money account holders to be individually identified.

Field Agent Banking methodology complies with this requirement; most other group-based methodologies do not.



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Path to Sustainability



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Keys to Success

**Field
Agent
Banking is
successful
when:**

- The project first achieves institutional buy-in from participating financial institutions:
 - Knowledge transfer
 - Inclusion in planning and implementation phases.
 - Field follow-up.
- Field agents are younger and directly hired from the same communities served.
- Hiring is based on strong interpersonal and communication skills rather than financial or commercial knowledge



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WOCCU Services Group

WOCCU Services Group (WSG)



- World Council's for-profit subsidiary
- Operates internationally under the ENTURA™ brand
- Offices in 7 countries: Bolivia, Colombia, Ecuador, Kenya, Mexico, Peru
- Leverages technology to enable client credit unions to offer transactional services, such as cellphone banking, remittances and card services through ATM and POS devices
- 556k cards in circulation; 5m transactions in 2013



Development Agency

Approach to Development

- Reach rural through mobile
- Promote financial inclusion/literacy
- Expand products → AG financing; energy loans; health insurance; education loans; SMEs
- Encourage legislative reform and regulatory system development
- Strengthen national associations
- Promote gender equity; attract youth



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Development Programs in 10 Countries



Colombia

Colombia



World Council is working in partnership with Colombian credit unions to:

- Implement a savings-based outreach approach using mobile technology.
- Increase membership by 100k+ people earning < \$1/day.
- Develop new demand-driven microcredit and microsavings products using mobile technology to expand the credit union network.
- Introduce financial literacy outreach.



Haiti

Haiti



USAID
FROM THE AMERICAN PEOPLE

BILL & MELINDA
GATES *foundation*

World Council helped launch a mobile money initiative to:

- Improve the availability of financial products and services, including agricultural credit adapted to the needs of participants in Haiti's value chains in rural and agricultural areas.
- Encourage the use of information and communication technology solutions, primarily mobile financial services, to expand financial inclusion.



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Mexico

Mexico

World Council is working with 41 credit unions in 19 states to:

- Bring formal financial services to 411,000+ people earning < \$1/day
- Establish a technology platform for service delivery and utilize smartphone-equipped field officers and ATMs to expand financial inclusion.
- Circulate at least 26,000+ debit cards and achieve 720,000 transactions by the end of 2014.
- Train 355 credit union employees to ensure program sustainability.



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