

Panama & Iowa



An Iowa credit union delegation meets with their future Panama partner to further discuss the credit union system and possible workplan items.

What Do Panama & Iowa Have in Common? Credit Unions!

What may seem an unlikely alliance is actually an emerging international partnership: the Iowa Credit Union League (ICUL) and Corporación Fondo de Estabilización y Garantía de Cooperativas de Ahorro y Crédito de Panamá (COFEP), Panama's national credit union service organization. As an added benefit to its members and supporters, World Council of Credit Unions, Inc. (WOCCU) facilitates International Partnerships among credit union systems around the world. Last year ICUL contacted WOCCU regarding a possible partnership about the same time WOCCU was looking to partner COFEP with a U. S. league. After preliminary communications, interest grew on both sides and a date was set for the two groups to meet.

On August 28th, 2005 five representatives from the Iowa credit union movement traveled to Panama City to learn about the country's credit union system. Those participating included: Patrick Jury, ICUL vice president; Murray Williams, ICUL director of strategic alliances & public affairs; Jan Dietzenbach, ICUL management consultant; Patrick Drennen, ICUL 2nd vice chair and 1st Gateway Credit Union CEO; and Mark Kilian, Community Business Lenders CEO. WOCCU's international partnership manager, Victor Corro, accompanied the group to his native Panama. The agenda incorporated a tour of COFEP and five of its member credit unions of varied sizes and structures, as well as a discussion session at the Instituto Panameño de Cooperativas (IPACOOOP), Panama's regulatory agency for credit unions.

Regardless of geographic location or technological advancement, credit union systems will always have some common attributes. This is especially true in Panama,

where several credit unions were founded in the former Panama Canal Zone, once a U.S. sovereign territory. Because those credit unions were federally chartered and insured, they were regulated by the National Credit Union Administration (NCUA) in the United States. When the territory was transferred to Panama in 1979, the credit unions within it were formally integrated with the Panamanian credit union system, in which member deposits are not insured. COFEP was established when credit unions from the former Canal Zone gathered to discuss the establishment of a national fund to guarantee credit union member shares and savings—a comparable alternative to share insurance.

COFEP is also engaged in a number of other activities intended to strengthen the country's credit union movement. During the visit, COFEP invited ICUL to lead a conference emphasizing governance, regulation, and new business development. The four-hour session was attended by approximately 100 Panamanian credit union representatives and,

according to Jacinto Villarreal, CEO of COFEP, the exchange was "the highlight of the month for credit unions in Panama."

The Panamanian movement's main challenge is the adoption of a specific law to govern credit unions. Currently the industry is regulated under a general cooperative law, which lacks specialized supervision, and COFEP, in conjunction with WOCCU and ICUL, has been taking steps toward lobbying for specific regulation. "In the United States, credit unions are a product of the legislative and regulatory process, so we have a lot of experience in that arena," said Jury. "COFEP told us this is one area in which Iowa can provide them with significant counsel and support."

ICUL will be hosting COFEP representatives in March of 2006 when they travel to Des Moines, Iowa to learn about the U.S. credit union system firsthand. Both groups are extremely pleased with their partnership activities thus far and have voiced their intent to sign a partnership agreement after the March visit.



Panama Canal

Texas & Jamaica



Representatives of Texas Credit Union League, Jamaica Co-operative Credit Union League, and World Council sign a formal International Partnership agreement during the 2005 World Credit Union Conference.

Jamaica Joins Texas in WOCCU's International Partnership Program

World Council's (WOCCU) International Partnerships Program brings together credit union movements around the world to exchange ideas and technical expertise with the goal of building stronger institutions for the benefit of their members. Currently there are 21 international credit union partnerships. The partnership between the Texas Credit Union League (TCUL) and Jamaica Co-operative Credit Union League (JCCUL) is one of the most recent additions to the program.

JCCUL approached WOCCU earlier this year seeking facilitators for a strategic planning session, held once every five years, that sets the direction of the island's credit union movement. The process involves individual credit unions as well as the league, and planning is led by facilitators from credit union movements outside Jamaica. This year, WOCCU and TCUL sent a team that included WOCCU's technical development regulatory systems manager, Jesus Chavez, who has worked with JCCUL in the past, and two credit union development educators: Claire Warner, assistant vice president of TCUL, and Nancy Johns, branch manager of American Airlines Federal Credit Union.

In preparing for the meeting it became apparent that the Texas and Jamaica leagues could assist each other in many other areas. The concept of a formal partnership began to take shape. The intense exchange of ideas between audience and facilitators during the planning session served as a catalyst, not only to solidify the partnership interest between the leagues but to ignite interest in direct relationships between individual Texas and Jamaica credit unions.

(Right) Credit union leaders participate in JCCUL planning session.



Since signing the partnership agreement, which made Texas the first United States credit union league to formalize two International Partnerships (TCUL is also partnered with Caja Popular Mexicana), 14 formalized direct credit union partnerships have also been made. Warner and Susan Thompson, assistant general manager of JCCUL, have been key to facilitating the credit union to credit union partnerships, jointly surveying their member credit unions to match up those with common interests. "We would like to give a taste of the international movement to as many credit unions in Texas as possible," Warner said.

These partnered credit unions are now implementing several joint activities that have gathered significant media attention in Texas. The partnership program was highlighted in an article titled "Several Texas credit unions could soon find themselves in Jamaica," published in *The Dallas Morning News*. Elizabeth Monroy, senior vice president and chief financial officer of Smart Financial Credit Union in Houston explained, "In true credit union philosophy, it's people helping people. From a cultural perspective, it's win-win for everyone involved." Last month, Smart Financial started working with the Jamaica Teachers Association Co-operative Credit Union.

International partnerships go well beyond the financial and philosophical aspects of credit unions as they establish bonds that ultimately affirm democratic principles, offer opportunities to share and learn about other ways of life, and create good will by breaking down preconceptions and stereotypes. The cooperative spirit is alive in the Texas and Jamaica Partnership; jointly they are building stronger credit unions for their members. 🌐

—by Victor Corro
International Partnerships Manager, WOCCU