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March 2, 2020

The Honorable Nita Lowey
Chairwoman
Subcommittee on State-Foreign Operations and
Related Programs
Committee on Appropriations
United States House of Representatives
Washington, DC 20515

The Honorable Hal Rogers
Ranking Member
Subcommittee on State-Foreign Operations and
Related Programs
Committee on Appropriations
United States House of Representatives
Washington, DC 20515

Dear Chairwoman Lowey and Ranking Member Rogers:

On behalf of the Credit Union National Association (CUNA), I am writing to thank you for holding this hearing regarding the U.S. Agency for International Development. CUNA represents America's credit unions and their 115 million members. There are also 85,400 credit unions worldwide in 118 countries with \$2.1 trillion dollars in total assets serving 274 million members. CUNA 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. I respectfully request that this letter be made part of the hearing record.

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.

With U.S. government and private U.S. foundation support, WOCCU is working 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.

We urge you to ensure that the U.S. Agency for International Development (USAID) commits to, and reports to Congress on, utilizing a fair and substantial use of civil society partners such as US credit union organizations in furtherance of US foreign policy and assistance mission.

Currently, USAID direct funding is increasingly concentrated with a small number of large organizations. By its own report, USAID, a \$25 billion agency, awarded 60% of its contracts and grants to 25 firms and 80% of its contracts and grants to 75 firms in 2017. ([USAID Acquisition and Assistance Strategy](#), USAID December 2018). In 2018, the concentration among the 75 firms reportedly increased to 83%.

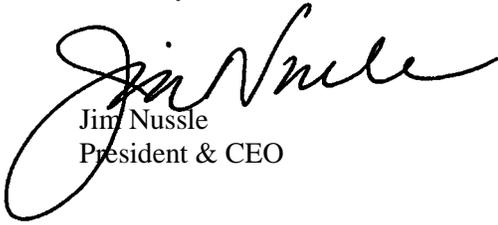
It is often difficult for small US-based non-profit organizations such as World Council of Credit Unions to access to USAID funding. WOCCU is uniquely situated to assist USAID in addressing the geopolitical and U.S. foreign policy concerns. The WOCCU network delivers private assistance and training through 70,000 volunteers and 300,000 employees at United States local, community-owned credit unions.

The issue arises with USAID because the dollar size and scope of awards often favor larger competitors. The scope of expertise is very wide which makes it difficult for more specialized organizations to bid. Large contracts put control in the hands of one generalist large project firm and limit the ability of small specialized firms to

compete. Compliance and solicitation requirements are higher relative to the volume of the awards. When large contractors include smaller specialized organizations on a bid, once the award is won the contractors often eliminate or reduce the work to the subcontractors. Contractors indicate that they will do the work themselves or that the scope has changed. As a result, smaller specialized organizations such as WOCCU often go underutilized or overlooked even though their results can often prove more effective and result in longer term, sustainable solutions.

We urge Congress to ensure that USAID awards a fair and substantial amount of its direct awards and contracts to be awarded to small US-based non-profit voluntary organizations such as credit unions and other cooperatives. Thank you for your interest in this issue and for holding this important hearing.

Sincerely,

A handwritten signature in black ink, appearing to read "Jim Nussle". The signature is fluid and cursive, with a large loop at the end of the last name.

Jim Nussle
President & CEO