

HISTORY OF CREDIT UNIONS, 1849-2007: THE CASE OF CAMEROON

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ABSTRACT

The major contribution of this paper is to help bridge the gap between the credit unions movement's history in Europe and their fundamental trends in Cameroon. Little research by economists addressing credit union movement's history, linking the European origins to Africa in general and Cameroon in particular has been articulated. Little is also known about how credit union spread to Africa and their fundamental trends in Cameroon. Discussion on the origins of credit unions and their profile in Cameroon has indicated that the credit union movement is an adaptation of the European and North American models. The main policy issues affecting credit unions from this paper is the desirability of increasing credit union assets in Cameroon.

Keywords: Credit Unions, Co-operative banking, agricultural credit societies, Cameroon, Africa

INTRODUCTION

Cooperative principles have guided the ideals behind credit unions since the first societies were formed in Germany in 1849 to reduce poverty. Credit unions were quick to prove adaptable to the changing economic conditions, positioning themselves as providers of economic opportunity to the poor. The idea of credit unions then spread to other European countries. Information about co-operative credit in Europe reached North America quickly where its first permanent foothold was gained in the beginning of the twentieth century at Levis in Canada. The success of credit unions in Levis strengthened the conviction held by a number of forward-looking and socially minded individuals in the United States that such organizations should be developed in their country. The credit union idea moved to Africa in the 1960s coinciding with the pace of decolonization. African savings and credit associations were helped in 1960s by North American credit unions answering to overseas missionaries' requests for financial assistance. Credit unions came to Cameroon through Rev.Father Antony Jansen, a Roman Catholic Priest from Holland who established the St.Anthony discussion group in 1963.

A credit union can be defined as a co-operative society, organized within a group of people with a common intangible bond such as belonging to the same tribe, religion, political party, trade or profession. A credit union provides an outlet for savings which can be made available as credit at the lowest possible lending rates to people of a common bond. In Cameroon, credit unions operate under Cameroonian co-operative legislation. Prior to their formal registration by the Co-operative Department, credit unions are known as 'discussion groups'. Credit unions rely on voluntary contributions of labor and a co-operative spirit rather than the profit motive. This does not mean that credit unions do not make profits, but that their surplus is distributed to members in the form of dividends. However, the non-profits motive implies that credit unions main aim is not to maximize profits but to provide their service as cheaply as possible to members. To become a member of a credit union an entrance fee is paid together with an initial capital contribution. Although credit unions in Cameroon are registered with their apex organization, the Cameroon Co-operative Credit Union League (CAMCCUL) and act independently of the government, they operate under principles set by the World Council of Credit Unions¹.

This paper aims at helping bridge the gap between the credit union movement's history in Europe and their fundamental trends in Cameroon. Indeed, little research by economists addressing credit union movement's history, linking the European origins to Africa in general and Cameroon in particular has been articulated. Little is also known about credit union spread to Africa and their fundamental trends in Cameroon. This study indicates that credit unions are one of the most widespread

¹ Summary of principles set by the World Organisation of Credit Unions:

- The main function of a credit union is to collect savings from its members and to make loans to its members.
- Members exercise democratic control on the basis of one vote for each member.
- Capital is derived mainly from the savings of the members.
- Loans are made only to members for providing and productive purposes at a reasonable rate of interest.
- The organizations are non-profit.
- The organizations are considered direct subdivisions of government financial institutions.
- Members have limited liability.
- No discrimination is made on the basis of race or political or religious beliefs.

(Source: Conseil Mondial des Coopératives D'Epargne et de crédit (1984).

forms of self-help organizations in Africa. In Cameroon, for example, credit unions have established a firm foothold. Furthermore, although activities of credit unions in Cameroon are provided yearly by the Cameroonian Co-operative Credit Union League (CAMCCUL), attention from economists is lacking.

The present paper's remaining sections are organized as follows. The history of credit unions is covered in Section 2. Section 3 undertakes a comparative study of credit unions in Africa in order to show their degree of concentration. Section 4 examines the credit union movement profile in Cameroon from 1963 to 2006 and finally Section 5 concludes.

THE ORIGINS OF CREDIT UNIONS

According to Ferguson and McKillop (1997), two organizational structures were established: one aimed for a large membership and emphasized the ideal of economic self-sufficiency, while the other concentrated on urban workers and small business owners and promoted credit unions based on Christian ethics.

A lawyer, Schultz-Delitzsch, and Raiffeisen, the mayor of Flammerfield, in Southern Germany, were deeply troubled by severe economic depression in this region. In an attempt to reduce poverty, Schultz-Delitzsch organized a co-operative bank in 1850, with capital supplied by rich sympathizers, to provide credit for poor industrial mechanics in the urban areas. This co-operative bank amortized loans in small monthly payments at interest below the going rate. Schultz-Delitzsch settled on principles which he thought were essential for the success of a co-operative credit association. Each member had to pay an entrance fee of DM 2.50, and an initial capital contribution of DM 12, by instalments. Members had to deposit their savings in the credit society in order to provide working capital and modest dividends were paid on the share accounts. Before Schultz-Delitzsch's death in 1912, more than 1,000 of his credit unions were established in Germany, with a total membership of 641,000 (Moody and Fite, 1971: 8).

In 1849, after Raiffeisen became mayor of Flammerfield, he began to develop the credit union plan as a permanent answer to the severe depression. Raiffeisen got Germans to pool their savings and lend to each other at low interest rates, for good purposes. The character of the borrower was to be the most important security for a loan. These are still the basic principles of today's credit unions. The Raiffeisen plan was a success and before he died in 1888, 425 of his societies were established in Germany (Moody and Fite, 1971: 12). Despite the fact that Raiffeisen adopted Schultz-Delitzsch's principle of self-help, their aims differed. Schultz believed in a large, mixed membership drawn from an unrestricted area. Raiffeisen, to the contrary, believed in a small membership of one class, confined to an area not containing more than 2,000 inhabitants, preferably a parish. Raiffeisen insisted that brotherly love and Christian principles motivated the credit union while Schultz was mainly concerned with promoting economic self-sufficiency.

Many other names were identified with the spread of co-operative credit societies around the world. Pre-eminent among the early disciples of Schultz and Raiffeisen were Luzzatti and Wollemborg (Earl, 1986: 15). In 1866, Luzzatti opened his first

co-operative bank at Milan. His credit union bore much resemblance to those of Schultz-Delitzsch. The counterpart of Raiffeisen in Italy was Wollemborg, who emphasized the establishment of co-operative banks for farmers.

Co-operative banking institutions soon made their appearance in other European countries. Austrians organised their first Schulze-Delitzsch society in 1858 and by 1913 there were 3,599 associations. The first Raiffeisen society was founded in 1866, with the number increasing to 8,000 by 1912 (The Association of British Credit Unions, 2002: 6). Farmers in France also experimented with co-operative credit societies (Poolin, 1990: 56). The orientation of French commercial banks towards large scale industry and commerce created a gap in the provision of finance to farmers which led to the development of co-operative credit societies. Co-operative credit societies, known as *Crédit Mutuel*, continued to occupy a prominent position in the French banking system. In 1992 France had 2,000 *crédit mutuel* with a total membership of 5 million (World Council of Credit Unions, 1992). In the early part of the century Horace Plunkett and George Russell used the Raiffeisen model to set up 'agricultural credit societies' in Ireland (Douthwaite, 1996). By 2005 credit unions in Ireland had 3,000,000 members (The World Council of Credit Unions, 2005).

The Credit Union movement made little headway in the United Kingdom to where the idea spread only in the 1960s. The reason for this late appearance was given by Kevin who asserted that Because of the highly developed financial system in the UK, credit unions have been fairly slow to evolve. Their spread to the British mainland is largely the result of the influence of Irish and West Indian immigrants who often benefited previously from such a union in their home countries.

(Kevin 1983: 70)

Other reasons may be responsible for this late appearance of credit unions in the United Kingdom. It may be argued, for example, that an early presence of credit unions was not relevant in the United Kingdom due to the non-availability of small firms' culture. According to Berthoud et al (1989: 17), the first credit union was established in Great Britain only in the 1960s. During the late 1980s political support for credit unions grew and came to be seen by local authorities as a means of regenerating local economies, community development and as a means of the poor helping themselves, (Thomas and Balloch, 1994). Their number grew to 27 in 1974, 236 in 1992 and 550 in 2005 with a total membership of more than 502,000 (The World Council of Credit Unions, 2005).

Information about co-operative credit in Europe reached North America quickly where its first permanent foothold was gained in the beginning of the twentieth century at Levis in Canada (Sarcee Meadows Housing Co-operatives, 2023). There, Desjardins established *La Caisse Populaire de Levis* in 1900 (Lamarche, 1985 : 32). By 1918, 160 Caisses Populaires were serving urban workers, farmers and miners in Canada (Lamarche, 1985: 50). This number grew to 548 in 2005 with a total membership of more than 5 million in 2005 (The World Council of Credit Unions, 2005).

The success of credit unions in Levis strengthened the conviction held by a number of forward-looking and socially minded individuals in the United States that such organizations should be developed in their country. Despite the fact that before the 1900s, neither the Schulze-Delitzsh nor the Raiffeissen societies gained any immediate foothold in the United States, they currently account for the largest credit union membership concentration in the world with almost 86 million members and more than 8,879 credit unions (The World Council of Credit Unions, 2005).

The credit union idea has been adapted from these European and North American models by numerous countries in Africa, Asia and Latin America. Although they must conform to the laws and customs of their environment, credit unions of the various regions of the world are quite similar. In Africa, for example, credit unions have created by far the financially strongest movement and are concentrated in 22 countries. Evidence of this concentration is found in the study of credit union locations by country undertaken in the next section.

THE LOCATION OF CREDIT UNIONS IN AFRICA

The credit union idea moved to Africa in the 1960s coinciding with the pace of decolonization. Khehla (1990) observed that in other parts of the world most notably pre-colonial Africa, a tradition of ‘interdependence existed among independent individuals’ co-operation and mutual support was central to the cultural life of the people, who had already instigated a system of mutual cooperation and support. African savings and credit associations were, therefore, helped in 1960s by North American credit unions answering to overseas missionaries’ requests for financial assistance. By 1981 some 11,000 credit unions were concentrated in Africa. This number almost doubled 10 years later to 21,000 in 1992 with a total membership of nearly 6 million² and surprisingly, this number reduced to 7,468 in 2005 with a total membership of more than 9 million³.

The location of credit unions in Africa, ranked by the number of credit unions in each country on December 2005, is shown in Table 1. Kenya, with almost 3,000 credit unions, was the leading country, followed by Tanzania, Uganda, Ghana and Cameroon. 91 per cent of credit unions in Africa are concentrated in these six countries. The remaining 18 countries account only for 9 per cent of credit unions in Africa. The concentration of credit unions among these two groups is also reflected in the concentration of their assets. Of the \$ 2 billion total assets at the end of 2005, 80 per cent are held in the six largest credit unions and 20 per cent in the 18 others. The aggregate figures are shown in Table 1 which indicates, for example, that Kenya, first in the number of credit unions, has the greatest asset total. Cameroon moves from the fifth to the second position. Table 1 also lists the average assets of the credit unions in each country. It provides an entirely different order by indicating, for example, that Tanzania, second in the number of credit unions, becomes the 15th credit union in terms of average assets.

Since a ranking of countries by total membership would produce results similar to those of Table 1, there is no point in repeating the comparison. A ranking of countries by average membership per credit union would produce an entirely

² The World Council of Credit Unions 1992

³ The World Council of Credit Unions 2005

different order. No consistent pattern emerges with the ratio of average total assets per member. This shows that a study of credit union locations by country is important more for showing African credit union concentration than for any other reason. This study indicates that credit unions are one of the most widespread forms of self-help organizations in Africa. In Cameroon, for example, credit unions have established a firm foothold. The Cameroon Cooperative Credit Union League (CAMCCUL) Limited is the largest microfinance institution in Cameroon, controlling about 78% of the market share of the microfinance sector in Cameroon and over 36% of the market share of the microfinance sector in the Central African Economic and Monetary Community Region (CAMCCUAL, 2006)

The analysis of their fundamental trends in Cameroon carried out in the next section elaborates on credit union origins and expansion in Cameroon.

Table 1: Significance of Credit Unions in Africa (2005)

Country	Number of credit unions	Rank	Total Assets (\$ 000)	Rank	Average Assets (\$ 000)	Rank
Kenya	3,000	1	1,644,239	1	548	4
Tanzania	1,719	2	30,000	7	17	15
Uganda	1,658	3	56,414	4	34	14
Ghana	260	4	55,712	5	214	6
Cameroon	191	5	79,483	2	416	5
Rwanda	146	6	9,951	9	68	11
Burkina Faso	101	7	71,937	3	712	3
Mauritius	85	8	13,856	8	163	8
Gambia	75	9	2,598	14	35	13
Zimbabwe	64	10	3,238	13	51	12
Malawi	66	11	7,150	12	108	9
South Africa	47	12	7,721	11	164	7
Swaziland	40	13	39,703	6	993	2
South Africa	35	14	349	17	10	17
Liberia	13	15	1,073	15	83	10
Gabon	2	16	714	16	357	4
Seychelles	1	17	9,636	10	9,636	1

Source: The 2005 International Financial Statistics: *World Council of Credit Unions. INC*

CREDIT UNIONS IN CAMEROON (1963-2006)

When Cameroon became independent in January 1960, most Cameroonians suffered from poverty and its concomitants of poor education and health. Ahmadou Ahidjo, the then Head of State, was quick to set up an economic programme known as *Le Libéralisme Planifié* which later became known as *L'économie Autocentrée*. These programs recognized the value and necessity of stimulating economic development by urging Cameroonians to contribute individually through the mobilizing of local savings which were to be deposited in commercial banks to finance investment in various projects for improved health and education. Surprisingly, these savings were not kept in banks as expected but in the ground, food containers or under mattresses. As a result, currency notes decayed, were eaten by termites, destroyed by fire, lost or stolen. It was on this basis that the idea of credit union came to Cameroon through Rev.Father Antony Jansen, a Roman Catholic Priest from Holland

who established the St. Anthony discussion group in 1963. According to Cameroon Co-operative Credit Union League (1993), this group was later registered in 1964 as Njinikom Credit Union Limited. It started with savings of FCFA 2,400. Sixteen people were already members. The first loan was granted during 1964 and the first annual general meeting was held in February 1965. In June 1968, 34 credit unions were registered in Cameroon and a joint meeting of all credit unions was held in Kumbo to consider the formation of a co-ordinating committee. This committee led to the creation of the West Cameroon Co-operative Credit Union League (WCCUL). In August 1968, the draft League and credit union bye-laws were approved. The bye-laws were similar to those of Tanganyika, Canada and the United States of America. The first general meeting of the WCCUL was held in February 1969. At this meeting it was confirmed that all credit unions would deposit 25 per cent of their total shares/savings with the League as fixed deposits.

The Credit Union movement only spread to the French speaking Cameroon in 1973. Shey (1994) argued that the reason for the late appearance of the Credit Union movement in the French speaking part of Cameroon is due to the language barrier and the limited number of staff. He asserted that 'it took some time to recruit and train the Francophone staff and get the Anglophones to learn French in order to do the promotion' (Shey, 1994: 37). However, the growth of credit unions was further hampered though for several reasons. First, loan sharks and other suppliers of informal credit worked to discourage competition. Second, individual companies that provided their own version of in-house cooperative credit saw little reason to support the movement. Finally, there was a general lack of understanding of the differences between credit unions and other sorts of financial institutions in the French speaking Cameroon.

By 1979, 3 credit unions were already established in the French speaking Cameroon. Due to the spread of credit unions to the French part of Cameroon in 1973, the West Cameroon Co-operative Credit Union League became the Cameroonian Co-operative Credit Union League (CAMCCUL). CAMCCUL held a joint meeting 6 years later in April 1985 with its French branch, the *Union des Caisses Populaires de Yaoundé* (UCPY) to discuss matters affecting the two movements. Since 1963, the nominal interest rate charged on loans was 1 per cent per month and credit unions were not allowed to pay more than 6 per cent per annum on deposits but during March 1992, the committee studied a new nominal interest rate and 1.5 per cent per month was set on loans. Credit unions since then are free to pay any interest they wish on savings. CAMCCUL is a focal point of the Credit Union movement in Cameroon. It acts as a central financing organization for all Cameroonian credit unions, maintains its own supply department, provides expert advice, sends representatives to attend board meetings and education sessions for any credit union in the League, manages the Credit Union Insurance Scheme and operates under principles set by the World Council of Credit Unions (WOCCUL). More CAMCCUL objectives are set out in Appendix 1. Contrary to the policy of certain central banks, such as those in Tanzania, Kenya and in Ghana, who have consistently tightened their grasp on credit unions in their countries, the operation of credit unions have not been a major source of concern to the *Banque des Etats de l'Afrique Centrale* (BEAC)⁴. The comparative lack of interest of the BEAC may be due to the atomistic structure of credit unions and their comparative small size as financial institutions compared with others.

⁴ This Institution serves as the central bank for six member countries: Cameroon, Central African Republic, Chad, Congo, Equatorial Guinea and Gabon.

Moreover, CAMCCUL⁵ is theoretically under the jurisdiction of the Ministry of Agriculture. CAMCCUL, therefore, reports annually to the minister of agriculture. However, the Banking Commission of Central Africa (COBAC) and the Ministry of Finance and Budget are the main accreditation bodies to all financial institution engaged in savings and loan activities in Cameroon. The government does not interfere in the daily operations of credit unions. Gurgand argued that,

The CAMCCUL benefits from the assistance of several international organization, among which are the African Confederation of Co-operative Savings and Credit Association, the World Council of Credit Unions and USAID, which provide funds for institutions-building. Although USAID and WCCUL project assistance ended in 1992, the league is effective in assisting the local credit unions and is largely responsible for the successful operation of the network.

(Gurgand 1994: 120)

The management of CAMCCUL is carried out by an eleven-man Board of Directors elected by the General Assembly for a three year mandate renewable once. The Board appoints a General Manager and an Assistant General Manager who are responsible for the day-to-day administration of the League. The departments of Network Operations; Personnel, Project & Marketing; Finance and that of Audits and Control are headed by four managers. As at June 2006, the League employed 107 individuals.

Credit unions operate in five out of ten regions of Cameroon: two regions (North West and South West) with 104 credit unions are English speaking while, three regions (Extreme North, West and Littoral) with only 87 credit unions are French speaking. Credit unions ranked by their number, membership, total shares/savings and outstanding loans in the English and French parts of Cameroon, in June 2006, are shown in Table 2. The latter table indicates that the English speaking part with 55 per cent of credit unions and 77 per cent of members is ahead of the French speaking part with only 23 per cent of members and 45 per cent of credit unions. Just as there is concentration in the number of credit unions and in the membership in these two parts of Cameroon, so also does a concentration of credit unions' total shares/savings and loans occur in the same group. Table 2 also shows that, of the FCFA 41 billion total shares/savings and FCFA 25 billion total outstanding loans at the end of June 2006, 89 per cent and 83 per cent total shares/savings and total outstanding loans respectively, are held in the English speaking part while, the French speaking part of Cameroon holds 11 per cent and 4 per cent of corresponding liabilities and assets. The low concentration of credit unions in the French speaking Cameroon indicates the need to encourage the spread of credit unions in this region. However, the outstanding overall concentration of credit unions in

⁵ According to CAMCCUL (2006), The mission of the Cameroon Cooperative Credit Union League Limited MFE is to develop, institute and promote an efficient gender sensitive cooperative network by providing sustained quality products and services to affiliates, encouraging equitable, apolitical and full participation from its various stakeholders; promoting social responsibility, staff efficacy and membership commitment through education and training and maintaining close relationship with other related institutions and Governments.

Cameroon reflects the aggressive promotional efforts of the League from the 1960s to mid-1980s as elaborated in the study of Cameroonian credit unions growth and size conducted in the section below.

Table 2: Location of Credit Unions in Cameroon

	English Speaking	French Speaking	Total
Population (million)	5	10	15
Number of Credit Unions	104	87	191
Percentage	55	45	100
Membership (thousand)	151	45	196
Percentage	77	23	100
Total Shares/Savings (FCFA billion)	36	5	41
Percentage	89	11	100
Total Outstanding Loans (CFA billion)	21	4	25

Source: CAMCCUL National Statistics (2006)

THE GROWTH AND SIZE OF CREDIT UNIONS IN CAMEROON (1969-2006)

Figures 1, 2 and 3 show the trends of the annual growth rate and the absolute totals of credit union, membership and numbers, their shares/savings and outstanding loans. All growth rates, with exception of two or three years, show a declining trend over the 37 years period. It is clear that the rates of growth for credit union numbers and membership show no consistent pattern. The growth rate in total outstanding loans and shares/savings, however, with the exception of erratic movement of those of the late 1980s till 2006, declines in a fairly regular progression. In fact, the simple correlation coefficient between membership and credit union numbers is only 0.88 while, that of Shares/savings and outstanding loans is estimated at 0.97. The absolute totals of membership, number of credit unions, share/savings and outstanding loans in Figure 2, have increased almost each year. The decline in the number of credit unions in Figure 3 can be attributed to a wave of mergers as credit unions attempt to expand their member bases. This is a logical response as credit unions seek to strengthen their position vis-à-vis banks, as what remains are, in theory, stronger, diversified credit unions with broader membership bases able to withstand sector declines in local economies that would weaken the institutions.

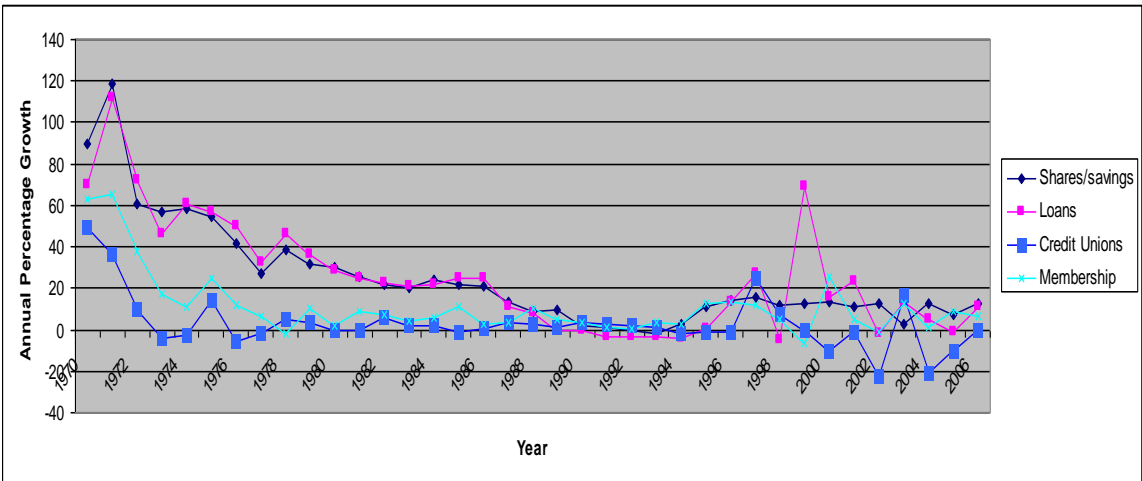


Figure 1: Annual Percentage Growth in Credit Unions

Source: CAMCCUL National Statistics (2006)

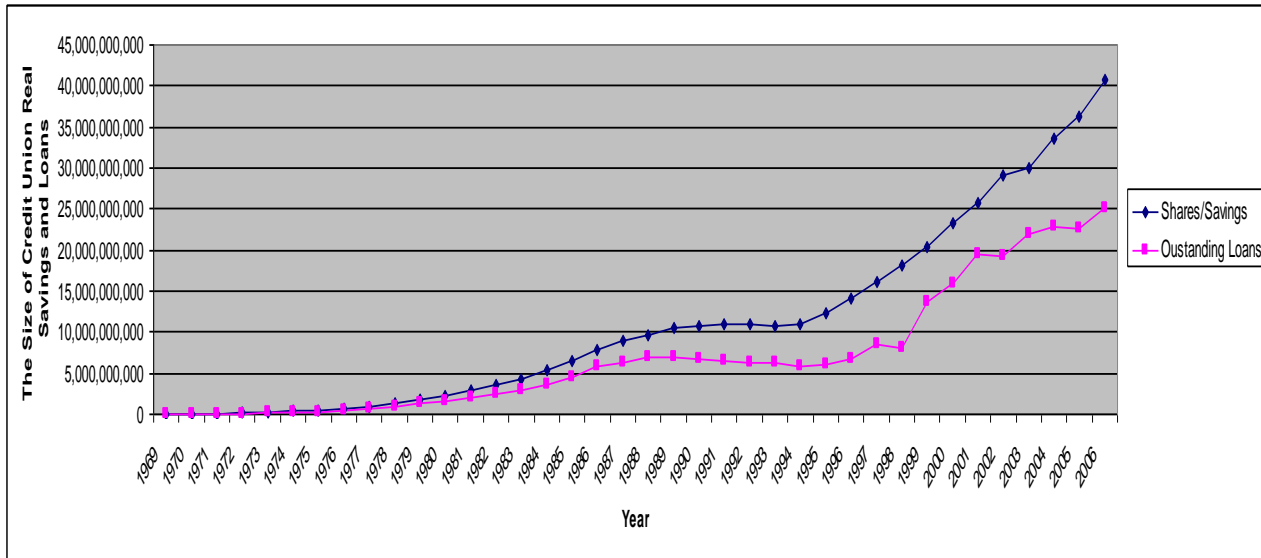


Figure 2: The Size of Credit Union Shares/Savings and Outstanding Loans in Cameroon

Source: CAMCCUL National Statistics (2006)

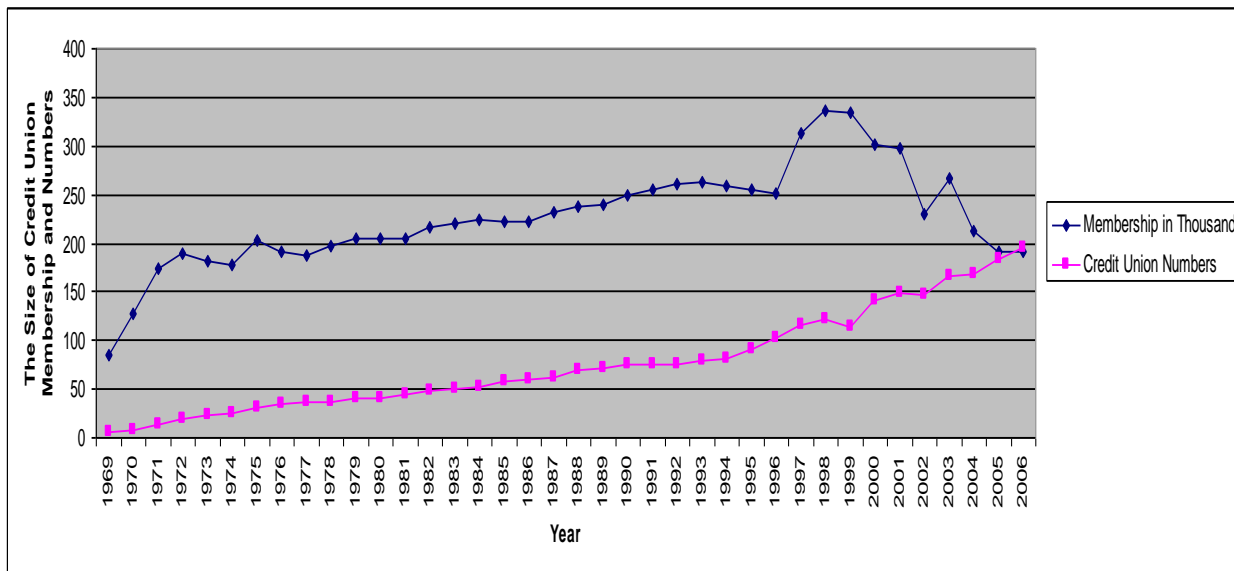


Figure 3: The Size of Credit Unions Membership and Numbers in Cameroon

Source: CAMCCUL National Statistics (2006)

In overall terms, it can be observed that these rates of growth were slow at first, during the 1960s, then rose until they reached a peak during the early 1970s, and then gradually declined in the 1980s. An explanation on this behaviour of growth can be found in the principle of diminishing return to scale or the life cycle hypothesis. These concepts state that beyond some level of growth, the industry reaches a maximum where it grows but at a diminishing rate. Mueller, for example, argued that,

The profit opportunities start to diminish as competition grows and other businesses start to adopt and improve upon the innovative entrepreneur's new idea. The eventual market saturation that occurs aids in the progression of this process. There would be a maximum size for the firm beyond which further expansion would limit its ability to introduce new products and techniques and thereby actually lower its profitability, even if the costs of producing the current product line with existing techniques did not increase.

(Mueller 1972: 47)

However, in the case of Cameroonian credit unions, external reasons are more important in explaining their diminishing rate of growth. As credit unions grew, their environment became increasingly unfavourable. For example, the sudden growth in the 1970s may be due to the fact that newly formed credit unions found it relatively easy to sign up new members. But, once these easily recruited members joined, it became more difficult in the 1980s to attract others. Competition with other financial institutions became more severe and credit unions faced the problem of making their services more attractive. The latter external reason was supported by Shey (1994: 130) who argued that the effect of competition from other financial institutions is a factor contributing to the declining growth of Cameroonian credit unions. Shey asserted that banks, for instance, provide more financial services such as current accounts, issuing standing orders and overdrafts. These factors he observed attract potential members (Shey, 1994: 130).

CONCLUSION

Discussion on the origins of credit unions and their profile in Cameroon has indicated that the Credit Union movement is an adaptation of the European and North American models. Credit unions common background is justified by their operation under principles set by the World Council of Credit Unions. Credit unions success in Cameroon may be reflected in this external control. However, an analysis of their fundamental trends showed that the diminishing growth of the size of credit unions in Cameroon is better explained by external factors.

The expansion of the membership appears to be aimed at strengthening the financial health of the credit unions examined. Despite their claims to the contrary, credit unions are increasingly becoming harder to distinguish from banks in many aspects of service, but conversely, with the commitment made to insure anyone in the fields of membership access to loans and low-fee financial services, remain distinctly un-bank like.

The main policy issues affecting credit unions from this paper is the desirability of increasing credit union assets in Cameroon. The rationale behind such a policy is due to the positive and significant association established between credit union assets with real output found in Tche (2007). Expansion of credit unions in French speaking Cameroon, for example, will require appropriate training of employees. New credit unions should remain under the control of the World Council of Credit Unions that has contributed to credit unions success in Cameroon.

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APPENDIX 1

CAMCCUL'S SPECIFIC OBJECTIVES

As stated in the League byelaws, the specific objectives of CAMCCUL are as follows:

1. Exceptionally extend its activities to parties other than its members within the micro-finance sector in Cameroon with the due approval of the banking commission.
2. Properly and profitably manage the excess funds entrusted to it by its members by considering all safe and sound investments as may be adopted by the Board and approved by the General Assembly.
3. Exceptionally as part of our rural development, non-members may use our services on a limited scale for a fee.
4. To promote the interest of its members by:
 - Promoting the establishment, organization, continued assistance and development of members;
 - Supervising its members in accordance with the provisions of article 14 of the micro-finance law;
 - Conducting the business of savings and credit in the widest sense, especially by acting as a central financial unit for its members encouraging them to save, providing loans to them at moderate interest;
 - Providing them with the financial services that complement savings and loans under conditions fixed by their articles of association.
 - Securing constructive interpretation of the operational laws and issuing general rules, recommendations and directives for the purpose of serving the best interest of the members;
 - Supervising the management and administration of its members and ensuring the development of such management and administration;
 - Conducting research and development of products, programs and services, as well as assuring responsibility for public relations, advertising, provision of legal assistance to the network;
 - Arranging and operating a cooperative insurance scheme for the members while collaborating and doing business with other institutions operating in the field of insurance, lending, investment and/or financial services.
 - Cooperating and collaborating with all other cooperative organizations towards the furtherance of cooperative enterprises as well as representing nationally and internationally the credit union movement in Cameroon.
 - Promoting gender equity at all levels of the organization and the network by showing a total commitment to the mainstreaming of gender equity
 - Define the conditions for membership, exclusion and withdrawal of affiliates,
 - Define and implement the measures necessary to ensure the cohesion of the network and to guarantee its financial balance, namely the respect of COBAC prudential norms by affiliated establishments
 - Exercise the disciplinary power and implement the restructuring measures defined as well as and the financial sanctions taken against the defaulting affiliates in compliance with the internal rules and regulations governing the network

- Define the accounting norms and procedures in line with the accounting plan for the micro finance activity and with the requirements of the supervisory and control authorities
- Elaborate the consolidated accounting documents and other statements defined by the regulations of the Banking Commission for Central Africa (COBAC).
- Organize the management of resource surpluses generated by affiliated establishments
- Organize the financial solidarity among the affiliated structures in case one or several affiliates become bankrupt, while ensuring the protection of the financial balance of the network.
- Create an internal control system of the network as required by the supervisory and control authorities
- Ensure the respect of the COBAC prudential norms as well as the network qualitative and quantitative minimum operating standards by the affiliated credit unions.

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