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## Credit for Agriculture Producers (CAP) Project





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### OVERVIEW

The Credit for Agriculture Producers (CAP) Project is a four-year project (2016-2020) funded by USAID that will be implemented by World Council of Credit Unions (WOCCU) with oversight and technical assistance from Volunteers for Economic Growth Alliance (VEGA). The purpose of the project is to strengthen the credit union sector in Ukraine to improve the quality of the financial services and products offered to farmers and agribusinesses in rural areas in Ukraine. The CAP Project will support broad-based resilient economic development through a multi-faceted approach to further develop Ukraine's credit union sector. In order to achieve its objectives, the CAP Project, with support of international, credit union experts and volunteers, will work closely with the National Commission on Regulation of Financial Services Markets and the two credit union associations: the All-Ukrainian Credit Union Association (AUCUA) and Ukrainian National Association of Savings and Credit Unions (UNASCU).

### Objectives of CAP Project:

#### ➤ **More transparent legal and regulatory environment**

CAP will focus on improving a legal and regulatory environment that respects cooperative principles, encourages meeting of prudential norms, and enables credit unions to compete on a level playing field with other financial institutions. CAP will engage with government stakeholders, the two national credit union associations, and other counterparts to achieve new credit union legislation.

#### ➤ **Collaboration between the national credit union associations**

CAP will build on previous successes of WOCCU and National Association of Savings and Credit Unions of Poland to create coordination mechanisms to help them develop and implement policies that contribute to strengthened credit union performance and expand services to meet the evolving needs of their members.

#### ➤ **Improved services to credit unions**

CAP will build the capacity of the two national credit union associations to develop and deliver modern services to their members that meet member needs while contributing to the long-term financial strength of the associations and their member credit unions.

#### ➤ **Expanding agricultural finance**

Credit unions are embedded in rural areas and critical to serving smallholders' financial needs. CAP will support selected credit unions to increase their capacity to expand agricultural and associated agribusiness loan portfolios while meeting member needs for timely, economic loans.

#### ➤ **Increase credit union liquidity**

CAP will work with credit unions to mobilize savings and demonstrate the financial soundness needed to overcome liquidity constraints through a three-pronged approach.

#### ➤ **Utilization of the USAID DCA Loan Portfolio Guarantee**

USAID is partnering with five credit unions to implement a loan portfolio guarantee program (DCA LPG) which is designed to stimulate lending for agriculture. CAP will support increased use of the LPG through technical assistance to the five partner credit unions to improve loan products and lending techniques, and will promote results and lessons learned with other credit unions.

### PROJECT CONTACTS

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**Additional information about CAP:**  <https://www.facebook.com/USAID.WOCCU.CAP>

