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CASE STUDY: Credit unions in west of Ukraine play central role in supporting Ukrainian citizens in wartime

Challenge

On the morning of February 24, 2022, the Russian Federation attacked Ukraine, with an unprovoked full-scale invasion that has continued since. This includes the bombing of civilian targets such as hospitals, schools, and kindergartens, as well as attacks on civilians fleeing the active war zones. Russia's war against Ukraine has not only brought suffering to the Ukrainian people, but also disrupted previously well-functioning communication, transportation channels, and other key infrastructure.

Response

Ukrainian credit unions are locally based regional financial institutions. At present, they face unprecedented challenges, yet remain a cornerstone for their communities and continue to operate, supporting them by all means possible. The USAID-funded Credit for Agriculture Producers (CAP) Project, implemented by World Council of Credit Unions, is supporting them along this path.

The CAP Project advocates to the credit union sector's regulator, the National Bank of Ukraine, toward a temporary ease of the regulatory burden during the time of war. This reduced reporting has enabled credit unions to dedicate more time to humanitarian and community work to address critical priorities at this time. Additionally, CAP's Digital Marketing and Telemarketing Schools – implemented as a part of previous CAP technical assistance activities – have provided new communication skills and tools to credit unions, which have proven instrumental for conducting daily work during the conflict.

Results

Due to CAP's advocacy effort, credit unions have received temporary relief from certain regulatory burdens. This affords them more time to help those in need. For example, in addition to their direct financial operations, credit unions located in relatively peaceful areas in the west of Ukraine have coordinated volunteer hubs and humanitarian aid centers. Despite damaged infrastructure, credit unions are now able to provide volunteer assistance to Ukrainian soldiers as well as civilians, members and their families.

As tens of thousands of Ukrainians have moved from affected areas to *Lviv City and Oblast*, 38 employees and more than 8,000 members of one CAP partner credit union have joined volunteer initiatives to help those in need. Together with local entrepreneurs, they organized and equipped a warehouse for sorting and packing humanitarian aid, including wound dressings and medicine that will be delivered to affected regions of Ukraine. Credit union representatives are also coordinating support to internally displaced families, most of whom are from *Kharkiv Oblast*, which was bombarded by Russian military forces.

Many Ukrainians have also fled from Russian bombs and missiles to *Ivano-Frankivsk Oblast*. The area of the Carpathians, which was a pioneering hub for green tourism before the war, has now become one of the central hubs for hosting refugees. A CAP partner credit union operating there has joined the local volunteer center and, among other activities, is producing energy bars from local nuts and dried fruit for internally displaced people.

Another CAP partner credit union in *Chernivtsi Oblast* has created a special Viber group to organize fundraising. Many credit union depositors have now donated the interest accrued on their deposits through the group to support the Ukrainian military. Using these donations, the credit union has purchased roll mats and sleeping bags, food, and medications that have been delivered to the brigades of the Ukrainian Armed Forces.

Another credit union operating across *several regions of Western Ukraine* has set up a call center using the credit union's facilities. Through this call center, credit union staff provide consultancy support to internally displaced people seeking accommodation. The credit union also facilitates the collection of humanitarian aid. The level of people's trust in the credit union remains very high, which makes it a reliable intermediary in the process of helping those in need.

"Credit unions have always been more than just financial institutions. We care about people, not money. In these difficult times for our country, we are all doing our best to help each other and our members," said one of the Ukrainian credit union leaders.

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Disclaimer:

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