

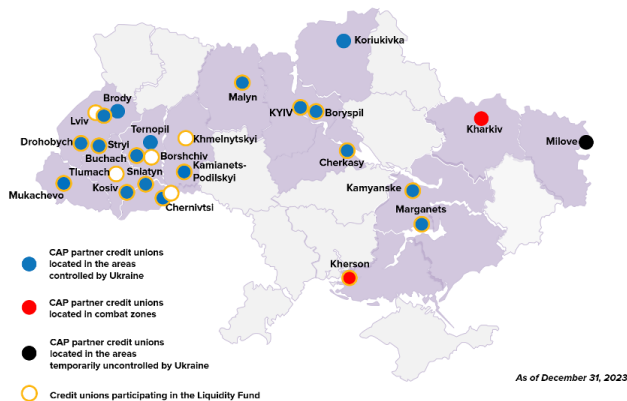
# QUARTERLY UPDATE

## CREDIT FOR AGRICULTURE PRODUCERS (CAP) PROJECT IN UKRAINE



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### Project Partners Map

On February 24, 2022, Russia launched an unprovoked and unjustified war against Ukraine.

Despite a difficult operating environment, the CAP Project continues to support Ukrainian credit unions and stimulate agricultural lending, along with helping its partners overcome the new challenges of operating in wartime. The CAP Project will operate through September 2024 to further amplify its impact and support early rebuilding efforts.

### The CAP Project in Ukraine focused its activities on the following areas:

#### Legal & Regulatory Framework



#### USAID/Worldwide Foundation for Credit Unions Liquidity Fund



#### Digitalization



#### Agricultural Lending



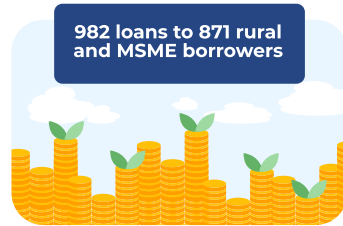
### Legal & Regulatory Framework

- Held a **high-level conference with over 100 participants** in Kyiv to discuss the future architecture of credit unions in Ukraine under the new Law on Credit Unions framework that comes into effect on January 1, 2024.
- Organized a **study tour to Lithuania** for representatives of the National Bank of Ukraine (NBU), Deposit Guarantee Fund, industry associations and United Credit Unions (UCUs) to learn best practices from Lithuanian colleagues on credit union sector growth, strengthening central credit unions and expanding MSME finance.
- Engaged experts from the **International Credit Union Regulators' Network** to provide expertise to the NBU – the country's credit union regulator.
- Hosted two **training events on risk management and compliance** in credit unions amid new regulatory requirements.
- Conducted an analysis of **regulatory compliance costs for Ukrainian credit unions**.
- Provided **comments and suggestions**, in cooperation with associations, **to over 10 draft regulations developed by the NBU** to implement the provisions of the new Law of Ukraine "On Credit Unions".



## USAID/Worldwide Foundation for Credit Unions Liquidity Fund

- Facilitated the **disbursement of 982 loans** through partner credit unions since April 2022 to 871 rural and MSME borrowers, for a total of **US \$2.59 million**.



 **1,091 borrowers**

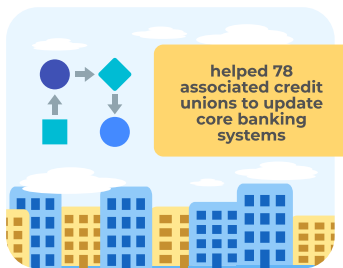
**1,315 loans** 

 **22 partner credit unions**

- Since its inception in April 2021, the Liquidity Fund has supported **1,091 agricultural MSME borrowers**, who received **1,315 loans** for a total of **US \$3.42 million** through **22 CAP Project partner credit unions**.

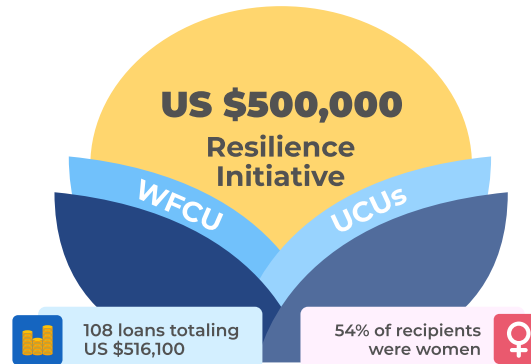
## Digitalization

- Launched the **software update program** financed by Worldwide Foundation for Credit Unions to help **78 associated credit unions** update core banking systems and introduce additional online services to optimize operations.
- Shared methodological recommendations on how to migrate to new software with credit unions that update their core banking systems.
- Organized a series of learning events for credit union employees on specifics of the new core banking systems to maximize the advancements they offer.



## Agricultural Lending

- Continued to implement the **US \$500,000 Resilience Initiative** in cooperation with WFCU and United Credit Unions (UCUs) to provide financial support of agricultural and rural businesses. As of December 31, 2023, facilitated the disbursement of **108 loans** for a **total of US \$516,100** through credit unions under the Initiative. **54% of loan recipients were women business owners**.



- Completed, in cooperation with WFCU, the **third US \$150,000 support program** for credit union member agricultural producers aimed at **co-financing the purchase of agricultural equipment**. As a result, 464 credit union member agricultural producers received over 1000 agricultural tools.



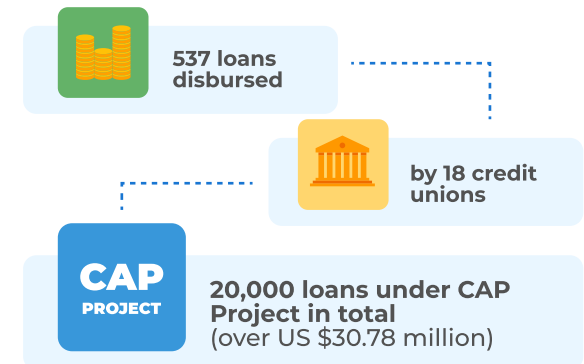
- Launched a series of marketing and sales training events to improve **marketing strategies** among CAP credit union partners.



- Facilitated negotiations between interested credit unions and agribusiness representatives to initiate long-term partnerships involving **credit unions as lenders to agricultural producers in the value chain**. To date, four credit unions have signed five **cooperation agreements** with various agricultural input suppliers.



- Facilitated the disbursement of **537 loans totaling US \$1.1 million** by 18 partner credit unions this quarter, bringing the total number of new loans under the CAP Project close to **20,000, totaling over US \$30.78 million**.



For **CAP 2023 results**, please see our **short year-in-review video**

