

CREDIT FOR AGRICULTURE PRODUCERS (CAP) PROJECT IN UKRAINE

KEY FACTS & FIGURES

Oct-Dec 2020
Issue no. 1



**Reviewed
legal acts**



**Hosted
events**



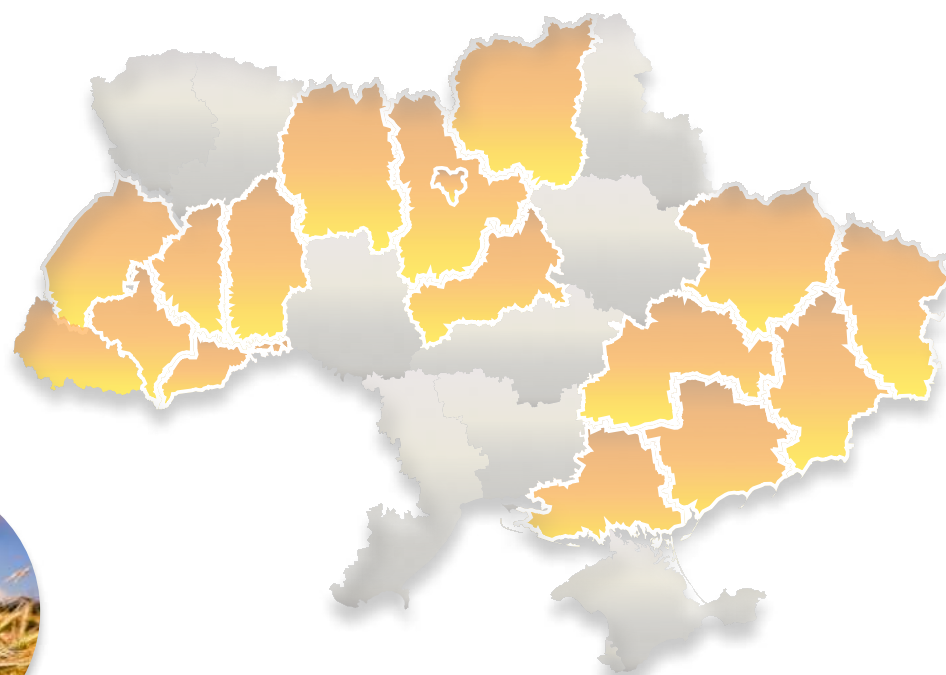
**Partner
credit unions**



Regions



New agriloans



**Partner credit unions
represent 16 regions
of Ukraine**

CONTENT

Objective 1

Enabling
environment

Objective 2

Associations
services

Objective 3

Increased
liquidity

Objective 4

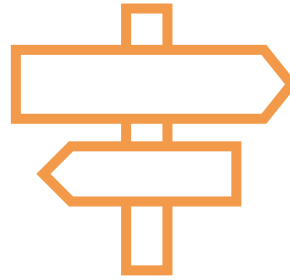
Agrilending
expansion

Objective 1

Credit unions operate in an improved enabling environment

CAP supports the dialogue between the National Bank of Ukraine and the Deposit Guarantee Fund, critical for ensuring the guarantee of credit union member deposits. The first coordination meeting between the two entities and CAP took place on December 18th to discuss a strategy for the design and implementation of such a scheme, as well as CAP's supporting role in the process.

CAP continues to provide Ukrainian partners with global perspective on credit union operations. This quarter CAP with its international experts provided feedback on three new NBU regulations. Two trainings for the NBU employees on reporting, audits and inspections of credit unions were also organized.



Objective 2

National credit union associations offer improved services to credit unions

CAP signed subawards with both national credit union associations. Within the planned activities and with CAP support, the All-Ukrainian Credit Union Association (AUCUA) established a Business Development Unit and conducted a member survey to identify their needs.

The respondents (80% of AUCUA members) confirmed a need to focus on digital presence and online services. The results will inform AUCUA's business development plan for their member credit unions and areas of CAP technical assistance support.

KEY ASSOCIATIONS SERVICES REQUIRED BY CREDIT UNIONS - AUCUA MEMBERS



Automation of business processes to increase sales (CRM system)



Staff motivation training



Digital marketing



Online servicing and online lending models

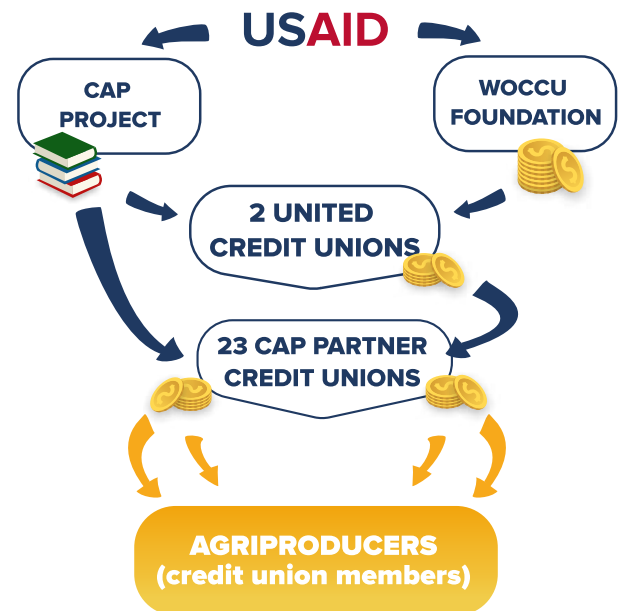
Objective 3

Credit unions have increased liquidity

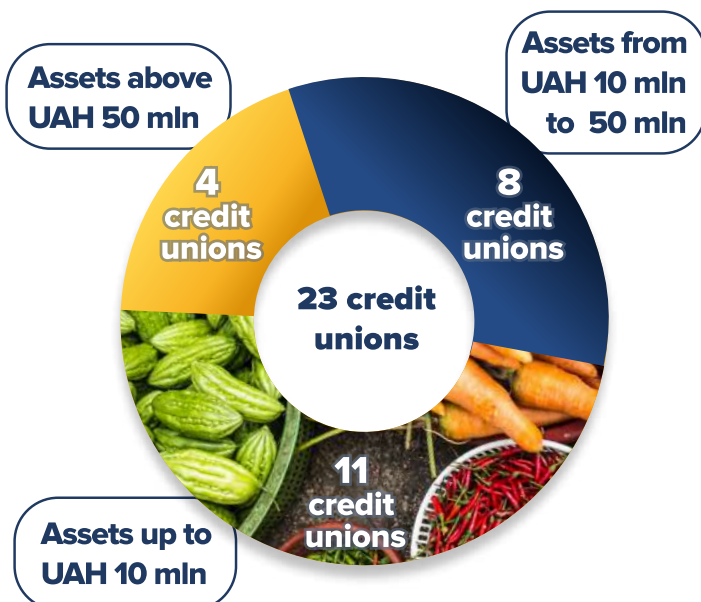
On December 29, USAID and WOCCU's Worldwide Foundation for Credit Unions signed the US \$1 million Credit Union Liquidity Agreement. This financing will help qualified credit unions expand their agricultural loan portfolios and support the development of local micro-, small- and medium-sized agribusinesses.

After holding negotiations with all the partners and stakeholders and building common ground, CAP developed the framework for the future launch of the Liquidity Fund to ensure efficient fund disbursement and use. The work with USAID and local partners continues to ensure lending support to credit unions and access to affordable financing for their member agriproducers.

LIQUIDITY FUND FRAMEWORK



CAP PARTNER CREDIT UNIONS BY ASSETS



Objective 4

Credit unions expand their agriculture finance portfolio

CAP conducted an open selection of partner credit unions for its refreshed Agricultural Lending Working Group (AGLWG). The new AGLWG includes 23 credit unions – 15 former and eight new credit unions – including four partner credit unions from USAID's Economic Resilience Activity (ERA).

At the first AGLWG meeting with its new participants, CAP presented a joint plan of activities for the two entities and announced the plan for sub-groups' work in 2021.

CAP also wrote a comprehensive report on the future of land market development once the moratorium on sales was lifted on July 1, 2021, including how credit unions and their members should respond to the change. CAP conducted a survey among credit unions and their members and analyzed the findings to inform the report. The report provides evidence for expected trends of the land market and summarizes the expectations of credit unions and agricultural producers, after opening of the land market.

CAP partner credit unions serve more than 110,000 members