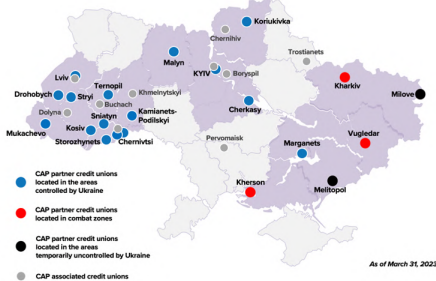


QUARTERLY UPDATE

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

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.

CAP Project has been extended through September 2024

to further amplify the impact to date and support early rebuilding.

1. Legal & Regulatory Framework

- Prepared an expert opinion on the operational framework of the stabilization fund to help credit unions recover amid war and submitted it to the National Bank of Ukraine (NBU).
- Continued advocacy and consulting efforts to design and build a legal framework on deposit guarantees for credit union members through participation in joint working groups with the DGF and the NBU.

2. USAID/Worldwide Foundation for Credit Unions Liquidity Fund

- 589 credit union loans have been disbursed since April 2022 to rural and MSME borrowers, for a total of **UAH 39,2 million (USD 1,38 million)**.
- Since its inception in April 2021, the Liquidity Fund has supported **781** agricultural MSME borrowers that received **922** loans, for a total of **UAH 62.9 million (USD 2.2 million)** through **18** partner credit unions.

781  **Borrowers**

Received 922 Loans

Through 18 Credit Unions

3. Digitalization

- Completed effort to modernize the websites of both Ukrainian credit union associations, two central credit unions and 49 individual credit unions in Ukraine. The new websites:

Modern Style

incorporate modern trends in visualization and content presentation;

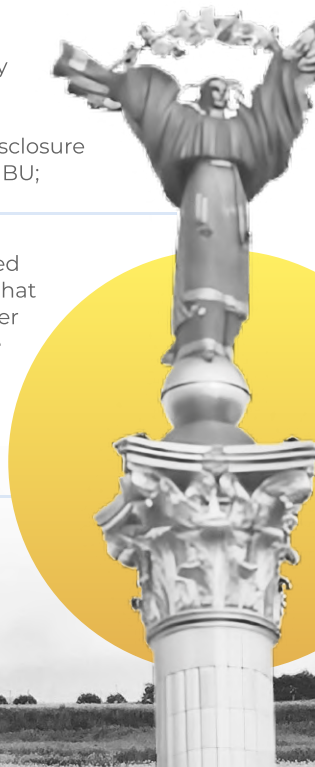
New Regulatory Standards

meet the new regulatory standards for consumer information disclosure as set by the NBU;

Tailored Calculator

include a tailored calculator tool that allows a member to compute the fair price of loans and deposit products.

- Training on using a new core banking system (CBS) was organized for **63** representatives of three credit unions' front offices engaged in the activity.



5. Agricultural Lending

- “Value Chain” pilot project results presented to credit unions, sharing **practical recommendations for credit unions to establish new partnerships with agribusinesses in value chains.**
- Introductory webinar conducted on **modern environmental practices in agriculture**, including analysis of the war impact on agricultural sector and ways to mitigate and/or reduce impact of agriculture on the environment.
- **Business plan template for entrepreneurs and MSMEs**, together with a step-by-step guide on how to compile such plan presented to partner credit unions. The document is to be used as an integral part of a loan application and serve to improve and standardize lending underwriting processes for business lending by credit unions.
- In **cooperation with the Worldwide Foundation for Credit Unions**, CAP completed the implementation of aid programs aimed at providing immediate support to agricultural producers seeking to stimulate agribusiness lending in wartime.

Webinar



The total of **1,517 credit union members** benefited

either **got compensated on 10% of their loans**

or **received free fuel** to continue essential agricultural activities in wartime.

6. Communications & Advocacy

- **Video** released focusing on a **new loan product “Let’s Win Together”** launched by CAP partner credit union “Kredyt-Soiuz”. This product offers better loan terms and conditions for agriproducers that donate part of their products **to support the most vulnerable during wartime.**
- **An article** by CAP Project was published on the FinDev Gateway website. The article focused on the urgency of affordable finance for farmers in wartime Ukraine, featuring three crop producers from West of Ukraine that received financing during wartime thanks to CAP and USAID/WFCU Liquidity Fund financing.
- CAP’s representatives participated in the Government Affairs Conference annually organized by the Credit Union National Association and uniting the US credit union leaders to **highlight advocacy efforts** of the Project and WOCCU in support of a more proportional regulations for Ukrainian credit unions, especially since Russia launched its full-scale invasion of the country.
- **At the Cooperative Voices event** organized by WFCU, CAP spoke about how credit unions in Ukraine bridge both safety and financial inclusion gaps with the support of the Project, WOCCU and WFCU **sharing the stage with the Ambassador of Ukraine to the US, Oksana Markarova.**
- On somber one-year anniversary of Russia's full-scale invasion of Ukraine on February 24, 2023, CAP DCOP was aired as a special guest of **WOCCU's podcast**, where he talked about **how the Project has helped credit union agricultural lending** outperform every other credit union loan sector since the war began.

Podcast



Watch the video on the new loan product



Find CAP’s article on the FinDev Gateway website

575 loans

totaling **UAH 47,1 million (USD 1.29 million)**

disbursed by 16 partner credit unions this quarter

bringing the total number of **new loans under the CAP to**

18,100



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