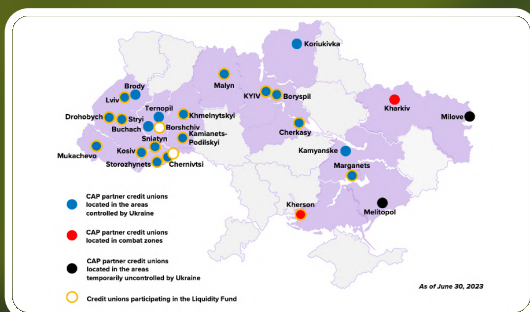


QUARTERLY UPDATE

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. The CAP Project will continue to operate through September 2024 to further amplify its impact and support early rebuilding.

Legal & Regulatory Framework

- Hosted a roundtable discussion on the “**Implementation of a Credit Union Deposit Guarantee Scheme**”, with a presentation of a **concept for the future deposit guarantee system for credit union members**.
- Conducted a field visit with Deposit Guarantee Fund representatives to partner credit unions.
- Submitted proposals to amend National Bank of Ukraine regulations on the design and approval of **recovery plans for credit unions**.

Digitalization

- Assisted two partner credit unions with installing and using a new core banking system (CBS).
- **Supported Ukrainian United Credit Union** with launching its migration into the new CBS.
- Held an introductory meeting with a pilot group of credit unions to initiate work toward implementing **online services and jointly determining and outlining next steps**.

USAID/Worldwide Foundation for Credit Unions Liquidity Fund

- **Facilitated the disbursement of 809 loans** through partner credit unions since April 2022 to rural and MSME borrowers, for a total of **USD 1.99 million**.
- Since its inception in April 2021, the Liquidity Fund has supported **959** agricultural MSME borrowers, who received **1,142** loans for a total of **USD 2.82 million** through **19** partner credit unions.



Agricultural Lending

- Updated the composition of the CAP Agriculture Lending Working Group, with **24 credit unions**, including five new ones and two that remain in the temporarily occupied territories.
- With the CAP Project assistance, partner credit unions received “Guidelines for Credit Unions on Reducing Negative Impact of Agriculture on the Environment, Adaptation of Agriculture to Climate Change”, which will help **increase the environmental awareness** of their staff.
- Completed field visits to **all five new partner credit unions** for an assessment and introduction to work with the CAP Project.
- Hosted a webinar on **business communication and storytelling** to build effective relationships with farmers, local businesses and other stakeholders.

24 CREDIT UNIONS

5

2

- Developed, in cooperation with Worldwide Foundation for Credit Unions, **two incentive schemes for credit union lending** to agricultural and rural businesses aimed to:



Support vulnerable client groups (the displaced, returnees and women).



Promote sustainable finance and encourage borrowers to introduce innovative and inclusive ways of doing business and agricultural production.

- Reshaped sub-group “Value Chains” to include 10 credit unions;** individual support to each credit union started to help launch partnerships with agribusiness representatives within value chains.

The sub-group participants completed **internal analysis of membership**, identified priority chains and locations for the project implementation.

- 988 loans totaling USD 1.67 million** disbursed by **20 partner credit unions** this quarter, bringing the total number of new loans under the CAP Project to **19,088**, totaling over **USD 29 million**.



988 LOANS

USD 1.67 MILLION



20 PARTNER CREDIT UNIONS



USD 29 MILLION

19,088 LOANS UNDER CAP PROJECT



Communications & Advocacy



- Launched **CAP Project Activity Page** on the USAID Agrilinks website.
- Contributed to the creation of a success story **released on USAID's flagship website**.



- Participated in Cracking the Nut – a two-day learning event in Washington, D.C. One of the tracks for this year's conference focused on using subsidies and blending commercial capital to achieve development impacts. The **CAP Project** presented the **Liquidity Fund mechanism**, which proved efficient even in wartime.



- Released a **video** on how CAP Project-supported credit union finance helped a young family farm in Volyn Oblast.



Disclaimer

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