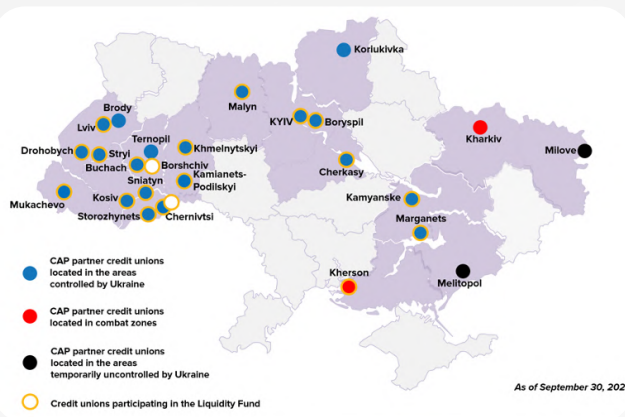


Quarterly Update

USAID Credit for Agriculture Producers (CAP) Project in Ukraine



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 efforts.

This newsletter is made possible by the support of the American People through the United States Agency for International Development (USAID).

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The CAP Project focused its activities on the following areas:

Legal & Regulatory Framework

Advocated for the adoption of the new Law of Ukraine “On Credit Unions”, which the Verkhovna Rada of Ukraine passed on July 14, 2023, and the President signed into law in August.



Provided expertise to the National Bank of Ukraine (NBU) on developing regulations in accordance with the newly adopted Law on Credit Unions.

Reengaged the NBU and the Deposit Guarantee Fund (DGF) in a dialogue on the need to **speed up the establishment of a credit union deposit guarantee system**.



Facilitated the participation of an NBU representative in the Annual Conference of the International Credit Union Regulators' Network (ICURN).



Supported the participation of a DGF representative in a one-week online workshop “Deposit Insurers International Leadership Program”.

Provided consultations to two Ukrainian credit union associations on implementing the requirements of the law on submitting information from credit unions to the NBU credit register in 2024.

Digitalization

Trained IT specialists from 13 credit unions and two representatives of associations on **information and cybersecurity**.

Conducted a **market study of the core banking systems (CBS)** relevant for credit unions and identified optimal software options for introduction by credit unions.

Organized a learning event to help credit unions understand the **landscape of various new technical solutions available, including various CBS** as identified by the market study, as well as opportunities for credit unions to receive financial assistance for CBS upgrades under a Digitalization Program offered through the Worldwide Foundation for Credit Unions (WFCU).



Training
for IT
specialists in
credit unions



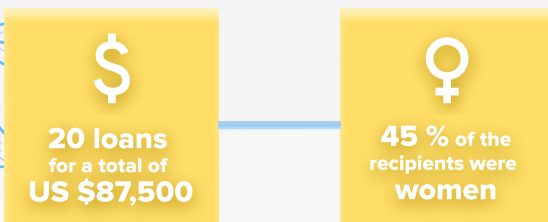
Market study
of the core
banking
systems




Learning
events on
technical
solutions


Agricultural Lending


- Launched 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 September 30, 2023, facilitated the disbursement of 20 loans for a total of UAH 3.2 million (US \$87,500) through credit unions under the Initiative. 45% of loan recipients were women business owners.



- Organized intensive **training for UCU member credit unions** to ensure effective lending under the Resilience Initiative on:

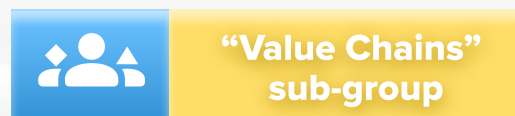
-  **Credit risk management in financing small rural businesses' webinars**, including the specifics of lending to vulnerable groups (the displaced, returnees and women business owners). In total, 94 representatives of 33 credit unions and both UCUs took part in the training.

-  **An introduction to sustainable financing webinar** in credit unions to encourage their borrowers to use resource-efficient, innovative and inclusive ways of doing business. In total, 59 representatives of 26 credit unions and both UCUs took part in the training.

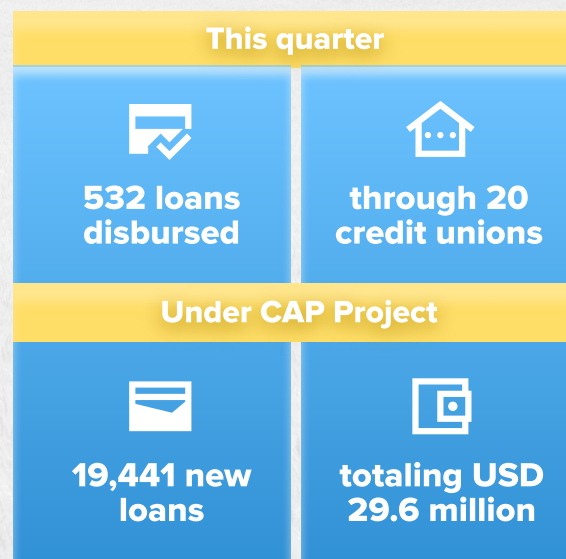
-  **Developing a uniform business plan** template as part of an application for a Resilience Initiative loan.

- Designed, 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 and tools**.

- Facilitated the negotiations between credit unions participating in the "Value Chains" sub-group and agribusiness representatives to initiate long-term partnerships involving **credit unions as lenders to agricultural producers in the value chain**. Contributed to signing the **first cooperation agreement** between a credit union and a company that supplies mineral fertilizers.



- Facilitated the disbursement of **532 loans totaling US \$717,562** by 20 partner credit unions this quarter, bringing the total number of new loans under the CAP Project to **19,441, totaling over USD 29.6 million**.



USAID/Worldwide Foundation for Credit Unions Liquidity Fund

- Facilitated the disbursement of **924 loans** through partner credit unions since April 2022 to **837** rural and MSME borrowers, for a total of **USD 2.27 million**.
- Since its inception in April 2021, the Liquidity Fund has supported **1,058** agricultural MSME borrowers, who received **1,257 loans** for a total of **USD 3.1 million** through **20 CAP Project partner credit unions**.

Communication

- Released **a video** on how the CAP Project, credit union and international partners helped a farmer from Lviv Oblast save animals from Russia's occupation and grow his business.



- Presented in July 2023 at the **World Credit Union Conference** in Vancouver, Canada, on the the Project's progress in strengthening credit union capacity, as well as the Liquidity Fund mechanism, and co-hosted a separate session on building resilient future for Ukraine.

