

The Diaspora continues to assist the development of financial cooperatives in Ukraine

By [New Pathway](#)



Participants of the meeting of the Board of Directors of the Ukrainian World Cooperative Council. In the middle - Olga Shevel

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Credit unions around the world, along with banks, play an important role in the financial sector. In Ukraine, the history of financial cooperatives dates back to 1871, when Grygoriy Galagan in Sokyrntsi (Poltava region) established the first savings and loan society. In Galicia there were more than 3 thousand of such societies up to 1939.

In modern times, Western countries, and Canada in particular, have been actively involved in reviving credit unions in Ukraine. During the period of Ukrainian independence, 3 programs of the Canadian Government were implemented – the assistance was provided in terms of establishing credit unions, mechanisms were developed for their strengthening, grants were provided for raising capital. Currently, there are more than 350 credit unions registered in Ukraine, with about 500,000 members.

A lot of work is being done to promote financial cooperation in Ukraine by the World Council of Ukrainian Cooperatives. Volodymyr Sydorovskiy, Chairman of the Board of the Ecclesiastical Credit Union Anisia (Lviv), who recently attended the meeting of the WCUC Board of Directors in Toronto, mentioned that the WCUC helps in the process of further improving the work of credit unions.

Currently, the operations of credit unions in Ukraine are regulated by the National Commission for the State Regulation of Financial Services Markets. According to a new law passed by the Verkhovna Rada in September 2019, the National Bank of Ukraine will become the new regulator of credit unions starting from July 1, 2020.

With the transition of regulation of financial cooperation to the National Bank, credit unions are expecting significant changes that will allow credit unions to both expand the list of services offered to credit union members and provide depositors with guarantees of the Deposit Guarantee Fund for Individuals. At the same time, it is necessary to be aware that not all credit unions will be able to fulfill the requirements of the new regulator, and probably the market will launch the consolidation process – merge of credit unions, said Volodymyr Sydorovskiy.

Today, Ukrainian credit unions obtain significant assistance from the World Council of Ukrainian Cooperatives, the US Credit Unions, and the World Council of Credit Unions (WOCCU). In particular, it has been the fourth year of USAID Credit for Agriculture Producers (CAP) Project activities (ending in 2020), helping to develop agricultural lending and supporting credit unions in dealing with the Parliament, the Government and the Regulators.

The World Council of Ukrainian Cooperatives addressed to the President of Ukraine Volodymyr Zelensky, the Chairman of the Verkhovna Rada of Ukraine Dmytro Razumkov, Chairman of the Committee on Finance, Taxation and Customs Policy of the Verkhovna Rada Danylo Hetmantsev on the need for more active support of the further credit union system development in Ukraine.

At its recent meeting, the Board of Directors of the World Council of Ukrainian Cooperatives also heard and approved the report of the WCUC President Olga Shevel on the WCUC activities during the reporting period and the financial report of the Board made by Yaroslava Kamenetska. There was also the detailed discussion of the course of the decision implementation made at the previous WCUC congress in Lviv to prepare another edition of the Ukrainian cooperation history. This task should be completed by the next meeting of the WCUC Board of Directors.

A separate topic of discussion was the planning of the task implementation set by WCUC for the next year – establishment of Ukrainian credit unions in the countries where numerous Ukrainian diaspora representatives reside, in particular in Poland. In this regard, the reports by Andriy Gorbachevsky (Chairman of the U.S. Central of Ukrainian Credit Unions, SUMA Yonkers Credit Union) and Taras Pidzametsky (Ukrainian Credit Union Limited, Canada), who analyzed this issue in terms of legislative capacities and potential of Ukrainian communities in these countries. It was decided to create a working group for further elaboration.

As part of the strategic planning for the next year, it was decided to hold another enlarged meeting of the WCUC Board of Directors in the summer of 2020 in Ukraine.