

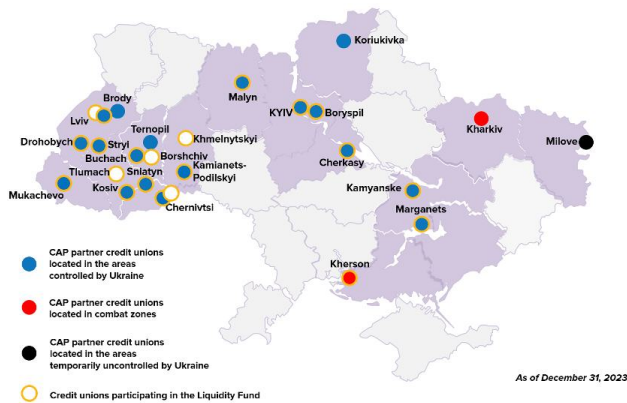
QUARTERLY UPDATE



CREDIT FOR AGRICULTURE PRODUCERS (CAP) PROJECT IN UKRAINE

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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 operate through September 2024 to further amplify its impact and support early rebuilding efforts.

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



Legal & Regulatory Framework



USAID/Worldwide Foundation for Credit Unions Liquidity Fund

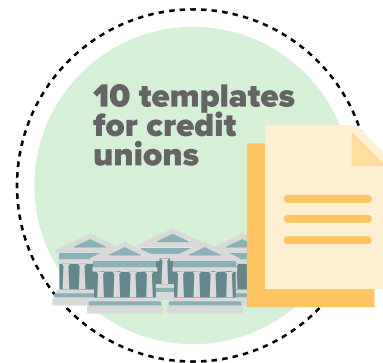


Digitalization



Agricultural Lending

Legal & Regulatory Framework



- Engaged experts to prepare **internal provisions for credit unions on risk management and compliance, IT and information security** to help them comply with the new law on credit unions
- Drafted 10 template internal provision** (policies, regulations, procedures, etc.) documents for credit unions to use in order to stay in compliance with the new legal and regulatory environment.
- Held several consultancy meetings with credit union associations, individual credit unions, experts and the regulator – the National Bank of Ukraine (NBU) - **to discuss new regulatory requirements and best practices for their implementation**
- Supported and organized **cooperation with international experts to help:**

improve the risk matrix for the risk-based supervision of credit unions

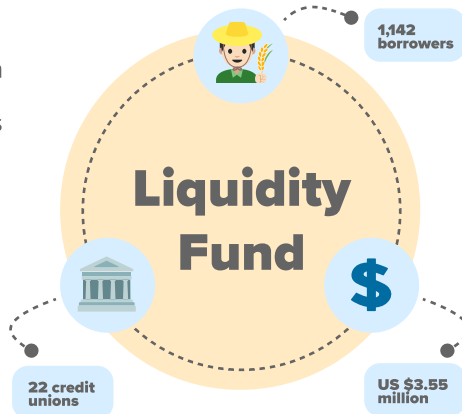
introduce a deposit guarantee system for credit union members

USAID/Worldwide Foundation for Credit Unions Liquidity Fund



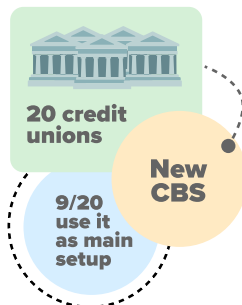
- Facilitated the **disbursement of 1,051 loans** through partner credit unions since April 2022 to 924 rural and MSME borrowers for a total of **US \$2.72 million**.

- Since its inception in April 2021, the Liquidity Fund has supported **1,142** agricultural MSME borrowers who received **1,384 loans** worth **US \$3.55 million** through **22 CAP Project partner credit unions**.

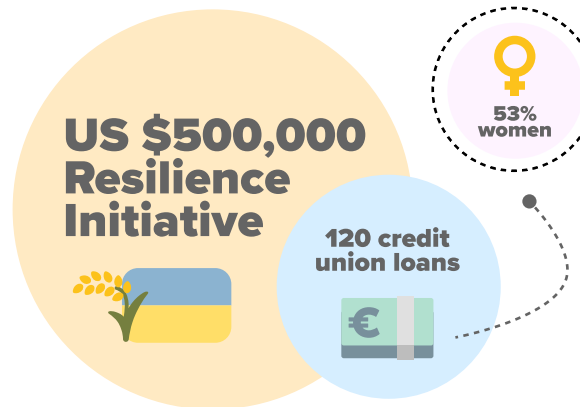


Digitalization

- Supported **credit unions in their transition to new core banking systems (CBS)** as part of the Digitalization Program launched with Worldwide Foundation for Credit Unions. As of March 2024, **20 credit unions have installed new systems**, with nine of them using the new CBS as their main setup.
- Organized a **series of learning events for credit union employees on specifics of the new core banking systems** to maximize the benefits of such upgrades.
- Trained 54 employees of associated credit unions on **the basics of cyber hygiene to increase the security of their daily digital operations**.



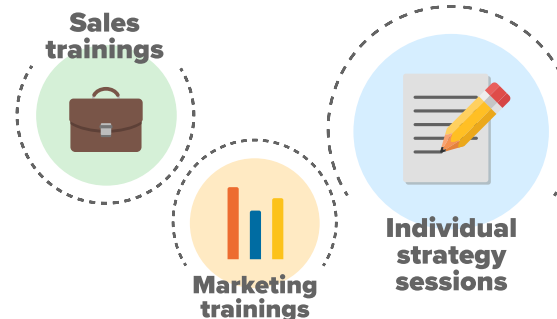
Agricultural Lending



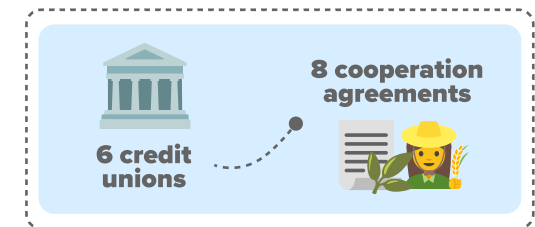
- Continued to implement the **US \$500,000 Resilience Initiative** in cooperation with WFCU and United Credit Unions (UCUs) to provide financial support for agricultural and rural businesses.

As of March 31, 2024, facilitated the disbursement of **120 credit union loans worth US \$573,358**. **53% of loan recipients were women** business owners.

- Continued a series of **marketing and sales trainings** for partner credit unions, and launched **individual strategy sessions with professional marketing strategists** to help credit unions adjust their marketing approaches to the uncertain and volatile operating environment in Ukraine.



- Held an introductory webinar on **women's entrepreneurship in wartime** to analyze the needs of women entrepreneurs, including vulnerable populations, to identify the challenges of running a business.
- Continued to **support credit unions in establishing long-term partnerships with agribusiness value chain actors**. In total, six credit unions have signed eight cooperation agreements to date, with one credit union issuing its first seven loans under such an agreement.



- Facilitated the disbursement of **593 loans totaling US \$1.12 million** by 18 partner credit unions this quarter, bringing the total number of new loans under the CAP Project to **20,591**, totaling over **US \$31.97 million**.

