

# Credit for Agriculture Producers Project in 2016-2024 Ukraine

## About CAP

**The Credit for Agriculture Producers (CAP) Project in Ukraine** began as a four-year project (2016-2020) funded by USAID and implemented by World Council for Credit Unions (WOCCU). USAID has since extended the project twice, most recently through September 2024.

### CAP Project's Goal

**Increase access to finance** for rural and agricultural micro- and small businesses **through credit unions to boost rural and community-based economic growth and resilience in Ukraine.**

### Objective 2: Digitalisation

Support the **digital transformation of credit unions** to expand outreach to better meet the needs of their members and strengthen cybersecurity.

### Objective 1: Regulation

Improve the country's outdated **credit union laws and regulations** to meet international and European Union (EU) best practices in cooperation with Ukrainian regulators and legislators, building a foundation for early recovery, long-term growth and increased access to finance to support local agricultural and economic growth.

### Objective 3: Liquidity

Provide **additional liquidity to the credit union sector** through a USAID-funded \$1 million Liquidity Fund and other donor contributions to ensure sufficient resources for agricultural and rural micro- and small-business lending **through credit unions.**

### Objective 4: Lending capacity

Build the **capacity of credit unions to lend** to rural and agricultural micro and small businesses, including those led by women, and relocated and returnee populations through adaptations of proven lending and marketing methodologies and value chain finance.

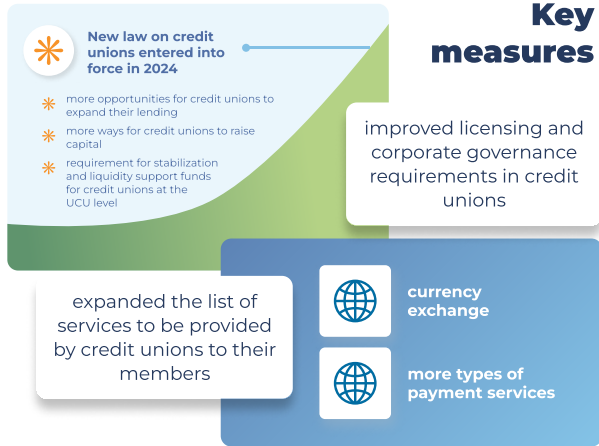
## STRONGER CREDIT UNIONS FOR A MORE SUSTAINABLE AGRICULTURAL SECTOR IN RURAL UKRAINE



# Final results

## Legal & Regulatory Framework

Updated Credit Union Law adopted and signed



The law contains more stringent regulatory requirements for credit unions, aligning the requirements with EU rules and practices.

Improved supervision and customer protection rights, more transparency of credit union operations.

More than 25 regulations for credit unions have been developed in cooperation with Ukrainian regulators

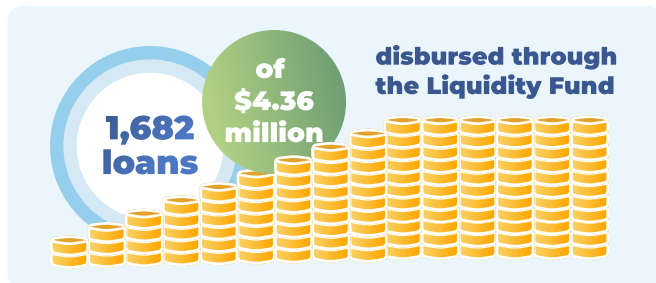
Templates and draft language for the 40+ internal documents required by the new Law on Credit Union

Secured amendment to martial law that granted credit unions the right to suspend their activities under a simplified process.

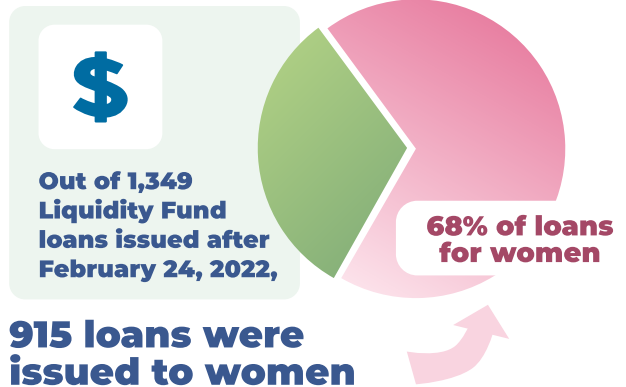
20+ training events for regulators



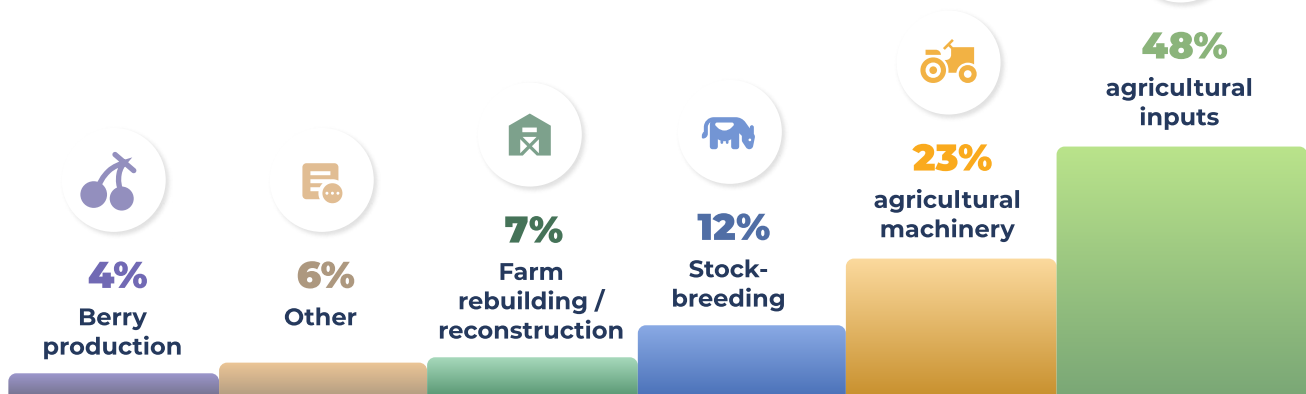
## Liquidity Support



The loans were disbursed to micro- and small-agribusiness borrowers under the Liquidity Fund from April 2021 through September 2024.



## Purpose of Liquidity Fund Loans financed since 2022



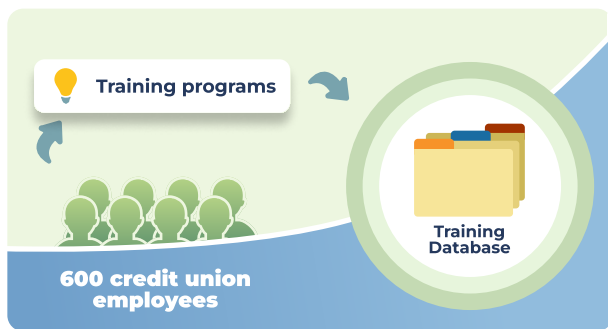
# Agricultural & Rural Business Lending

Consumer to business lending focus shift in credit unions to agribusiness MSMEs and clients.



Established new partnerships for credit unions with various local stakeholders and value chain actors.

Over **600 credit union employees** participated in training programs and improved their professional skills. A database of all training materials was created.

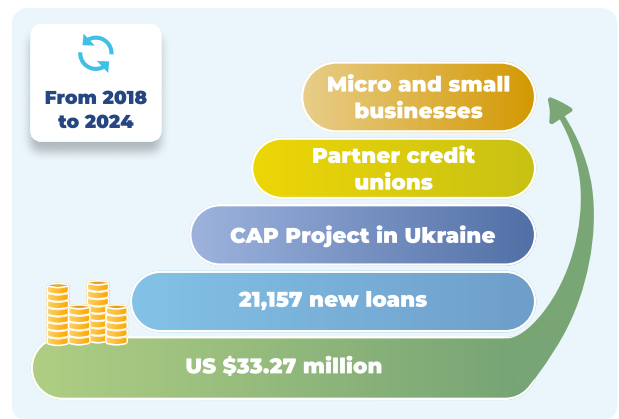


Upgraded business, planning, lending and liquidity policies.

**25 credit unions** introduced a procedure for managing **environmental and social risks** in agricultural lending.

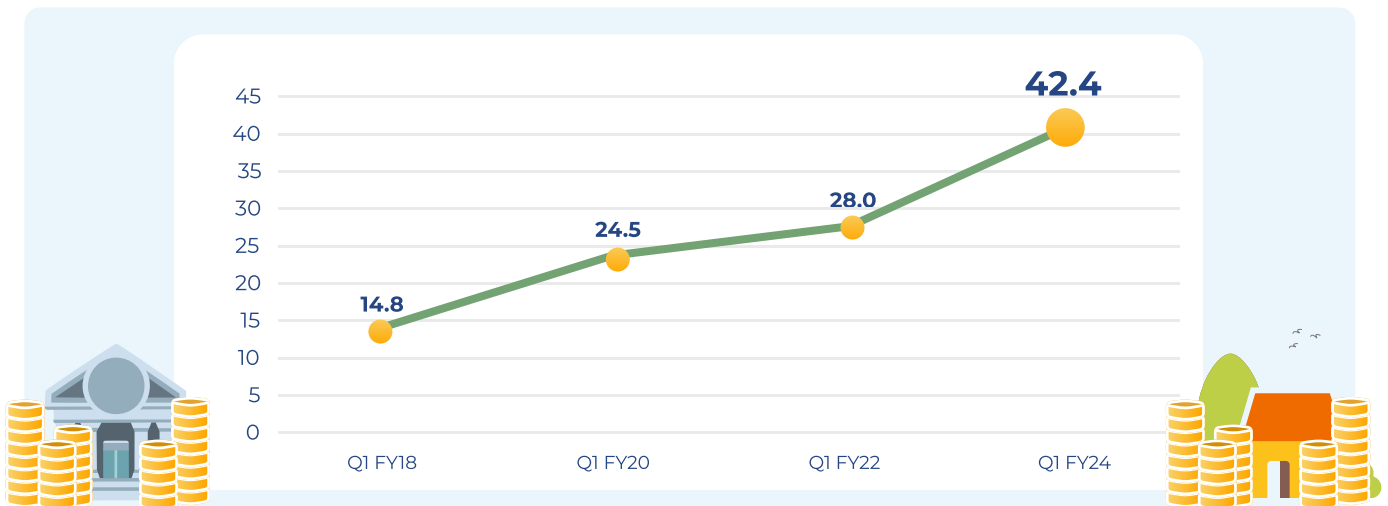


A total of **21,157 new agricultural loans worth US \$33.27 million** were disbursed by CAP project partner credit unions to rural and agricultural micro and small businesses from 2018 to June 2024.



The share of the credit union market loan portfolio held by CAP partner credit unions more than doubled over the course of the project.

## Share of CAP Partner Credit Unions' Loan Portfolio in Overall Market (%)



## Digitalization

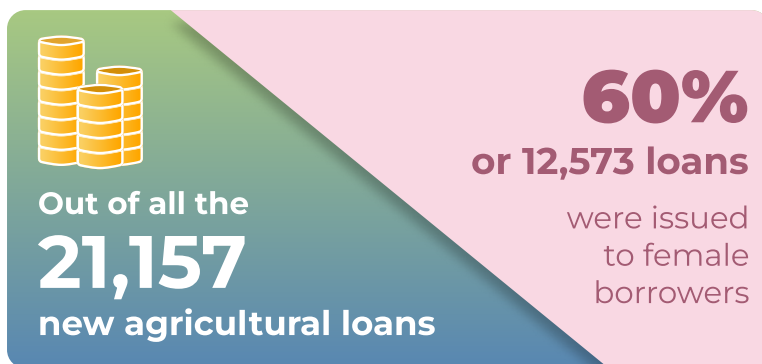
For business continuity, data protection and better customer outreach, CAP supported partner credit unions with:



Two pilot integrations of a **chatbot** were implemented to enhance the quality of credit union services while expanding access for members who rely on digital technology.



## Equity & Inclusion



A credit union women leadership group completed training that helped them **contribute to women's empowerment in dozens of local communities.**

Credit union staff and members received **psychological support during wartime.**

## Leveraged Support During Wartime

in cooperation with **Worldwide Foundation for Credit Unions**

**1,354** micro farmers got reimbursed on **10%** of their loan principal.

**+10%**

**464** farmers received certificates to purchase over **1,000** agricultural tools and equipment.



**17,500** gallons of diesel fuel were provided to agricultural producers.



**135** loans for over US \$**625,000** were disbursed to support vulnerable rural entrepreneurs and promote sustainable finance amid war.

More than half (**54%**) of the borrowers were **women in business.**

**54%**