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## SUCCESS STORY: Credit Union Loans Help Ukrainian Small Business Diversify Client Base

**December 2023** - Since the full-scale war began nearly two years ago after the Russian invasion, Ukrainian businesses have faced continual challenges. These include growing inflation, power outages and, most importantly, lower market demand resulting in lost sales. This has forced many entrepreneurs to search for new markets and sales avenues, not only to maintain their businesses but also to preserve workplaces for their employees.

Oleksandra Fonariuk is the proud owner of a 600 square-meter furniture manufacturing company in Chernivtsi Oblast. She has over 20 years of experience, which was passed down from her father. Before the war, Oleksandra primarily served private clients who ordered custom furniture for apartments and houses. However, due to lower demand during wartime, she decided to pivot to another customer segment – municipal enterprises. Oleksandra participated in several open competitive bids to supply local hospitals with furniture, and she successfully secured several contracts. To meet her growing obligations, Oleksandra needed to acquire additional woodworking machines. However, she lacked the cash to make this possible.



*Oleksandra Fonariuk at her furniture manufacturing unit, Chernivtsi Oblast, Ukraine*

Oleksandra applied for a lower-interest loan with Credit Union “Kredytne Tovarystvo”, her long-time financial partner. This loan was made possible thanks to the US \$500,000 Resilience Initiative – a liquidity support program launched in 2023 by the USAID Credit for Agriculture Producers (CAP) Project and Worldwide Foundation for Credit Unions. The goal of the Resilience Initiative is to support Ukrainian businesses by providing lower-interest finance through credit unions.



A loan of UAH 279,000 (US \$7,500) allowed Oleksandra to purchase the needed equipment so she could execute the municipal contracts. *“The machines I purchased help me save both time and money – as I can now do workpieces and coating at my own unit vis-a-vis ordering this service elsewhere. And the interest rate was indeed affordable,”* said Oleksandra.

As of December 31, 2023, CAP and Worldwide Foundation for Credit Unions have facilitated the disbursement of 100 loans through credit unions to Ukrainian small and medium-sized businesses to spur recovery from the war under the Resilience Initiative.

*Oleksandra Fonariuk showing one of her new woodworking machines, Chernivtsi Oblast, Ukraine*

*Photo credit (all photos): CAP Project*

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