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The Credit for Agriculture Producers Project

Credit union and female farmers both benefit from tailored financial services in Eastern Ukraine

September 2018



Members of Female Farmers Council of Zaporizhzhya Oblast, 2017.
(Source: Facebook Page of Female Farmers Council of Zaporizhzhya Oblast)



"Passports" of loan products in Zaporizhzhya CU, September 2018.
(Source: Valentyna Shvaiko, Zaporizhzhya CU)

Cultivation of berries, an important part of horticulture in Ukraine, is traditionally considered part of the female domain. For example, in Zaporizhzhya Oblast, the majority of the 500 female members of the Female Farmers Council engage in this type of agricultural activity. Unlike male farmers, only a small percentage of female farmers are officially registered as individual entrepreneurs or farm owners. This impedes their ability to access credit and other financial services which are essential for agricultural development and female entrepreneurship in rural areas, often engines for local economic development. According to the Council's Chairperson Nadiya Kompaniets, "it is almost impossible to obtain an affordable loan for a woman engaged in farming without a formal registration."

Aware of this challenge, USAID's Credit for Agriculture Producers (CAP) Project in Ukraine engaged with its partner credit union (CU) Zaporizhzhya to help address the issue of access to finance for female residents in the oblast. Zaporizhzhya CU only joined the CAP project in early 2018 but has already proven to be a reliable and active partner. In six months, the CU increased its total loan portfolio by 28% in the first half of 2018 (as compared to the same period in 2017) and sought to actively implement the project's training recommendations. "We have finally managed to break through" said Valentyna Shvaiko, Head of the CU. "This is the first real growth since 2013."

In September, CAP facilitated a meeting between the leaders of the Female Farmers Council and the CU, where the challenges for female farmers in accessing financing were discussed in depth. In response, the CU, with CAP support, developed a new Yahidka ("Little Berry") loan product tailored to meet the financial needs of berry producers, specifically the female farmers engaged in horticulture and viticulture in Zaporizhzhya Oblast. To further encourage the development of individual households with female farmers, the Yahidka loan is offered with an annual interest rate two percentage points lower than Zaporizhzhya's other loan offerings. Loan approval is conditional upon receiving an official letter of recommendation from an organization of agricultural producers, for example from the Female Farmers Council. The new product was officially launched by Zaporizhzhya CU on September 29th, at the Fair to Celebrate the Anniversary of Mykhailovskyy Raion in Mykhailivka Town, Zaporizhzhya Oblast, where the representatives of the CU participated alongside the Female Farmers Council.

"We understand that developing a loan product is just the first step in accomplishing our goals" explains Zaporizhzhya CU's Valentyna Shvaiko. "We need to reach a sufficient level of awareness among a specific target group of producers, so that with the onset of the next season we have a line for such loans in front of our CU."

Moving forward, CAP will use Zaporizhzhya CU as a model for other CUs and disseminate the new product template to other CUs in areas with a significant share of female agroproducers, as well as through the CAP partner country-wide CU associations.

Disclaimer: This progress update is made possible by the support of the American people through the United States Agency for International Development (USAID). The contents of this report are the sole responsibility of World Council of Credit Unions and do not necessarily reflect the views of USAID or the United States Government.

