

Country Report



Ukraine



2025



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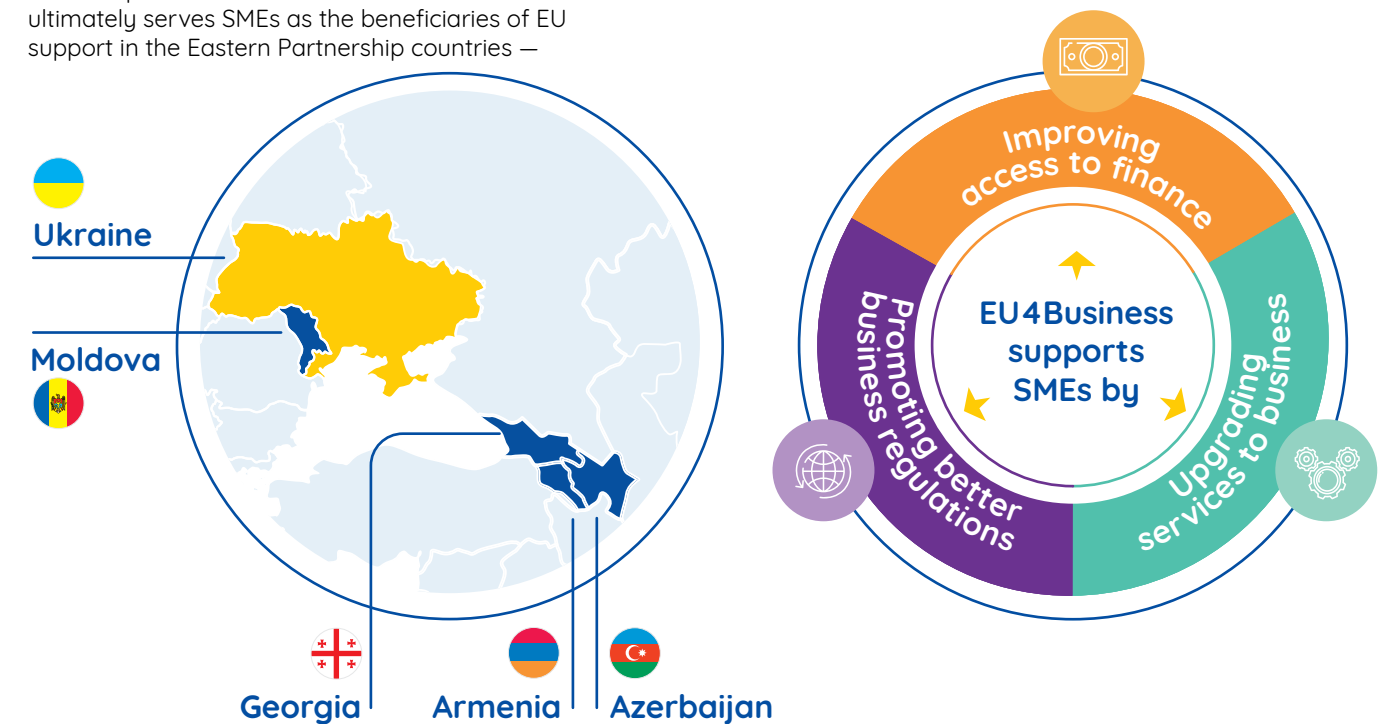
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About the Initiative

Small and medium-sized enterprises (SMEs) in the Eastern Partnership region have the potential to create jobs and drive economic growth. Obstacles such as limited access to finance, burdensome legislation and difficulties entering new markets are hindering their progress.

The European Union's EU4Business Initiative ultimately serves SMEs as the beneficiaries of EU support in the Eastern Partnership countries –



Access to Finance (A2F):

- ➔ concessionary loans via national banks
- ➔ micro financing for household businesses
- ➔ small grants to SMEs
- ➔ training staff at national banks to better serve SMEs
- ➔ training SMEs in financial literacy

Business Development Services (BDS):

- ➔ providing direct advice and training to SMEs
- ➔ training and capacity-building among national business support organisations (BSOs)
- ➔ establishing business incubators for start-ups
- ➔ developing business clusters for mutual support and development
- ➔ supporting governments in identifying new markets
- ➔ building capacities at export support organisations

Business Enabling Environment (BEE):

- ➔ promoting regulatory reform and best practice
- ➔ building capacity amongst policy makers and regulators
- ➔ encouraging public-private dialogue
- ➔ informing business about reform processes and rules/procedures



EU4Business Ukraine Portfolio 2025



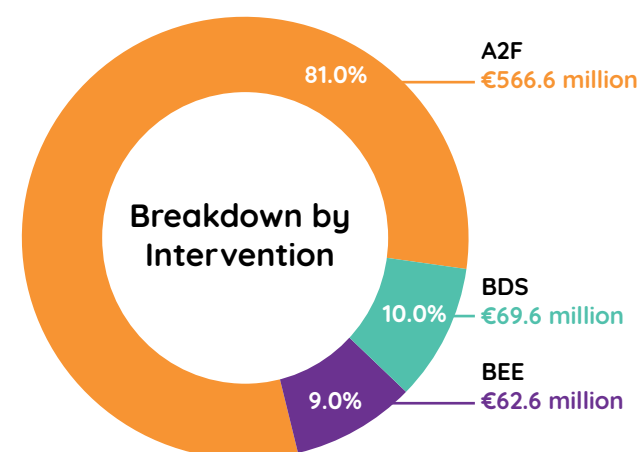
Total budget of EU support to
SMEs in Ukraine in 2025

€698.8 million

55 projects

provided support to SMEs
in Ukraine in 2025

Breakdown by intervention



➤ In 2024, the budget for Ukraine was €302.2 million. The substantial increase in 2025 is largely due to the inclusion of SME programmes under the Ukraine Investment Framework (UIF), which are covered by EU4Business Facility reporting. At the time of reporting, there were eleven SME programmes within the UIF. However, many of these programmes were still in their early stages and had not yet generated measurable results by 31 December 2025. As a result, the 2026 EU4Business Report will be the first to include results from all UIF SME programmes. The figures presented above therefore reflect only the budgets of actions that had been approved and contracted by 31 December 2025.

Across the three pillars, the inclusion of UIF actions led to a significant increase in the share of Access to Finance, as most UIF SME programmes are financial instruments.

Overview by type of intervention ←

Access to Finance



A1	€171.8 million	30.3%	Capped Loss Recovery
A2	€1.8 million	0.3%	Interest Subsidy
A3	€9.1 million	1.6%	TA to PFIs
A4	€217.8 million	38.4%	Capped Guarantees
A5	€7.7 million	1.4%	Currency Hedging Subsidy
A6	€78.6 million	13.9%	SME Incentive Grants
A7	€53.1 million	9.4%	Grants to SMEs
A8	€19.1 million	3.4%	Structured Funds
A9	€7.6 million	1.3%	Equity

In 2024, Access to Finance accounted for €191.7 million. The substantial increase in 2025 reflects the inclusion of SME programmes under the Ukraine Investment Framework. As a result, the composition of the A2F portfolio shifted towards the financial instruments used within the UIF, particularly Capped Loss Recovery (11.4% in 2024 versus 30.3% in 2025) and Capped Guarantees (19.7% in 2024 versus 38.4% in 2025).

At the same time, the combined share of the two SME grant instruments declined from 51.9% in 2024 to 23.3% in 2025. However, this reflected a change in the composition of the portfolio rather than a reduction in funding, as the combined grant budget increased by more than €32 million.

Success stories

From Veterans to Rebuilders: How EU Support is Powering Ukrainian Businesses



Veteran-founded businesses – snack producer Peanut Butter TOM and construction company Vivat Invest – have scaled up their operations with the help of EU-funded grants. The entrepreneurs invested in new industrial equipment, optimised energy use and created dozens of jobs in both frontline and rear regions.

Read full story

Types of Support Included in Access to Finance

- A1

Capped Loss Recovery

This is a risk-sharing instrument in the form of a grant that the EU provides to an IFI. This grant is used by the IFI to partially cover the loss that any PFI, such as a local bank, would carry as a result of an SME not repaying part or all of its loan. This means that if an SME does not pay back the loan to the local bank, the EU grant for capped loss recovery can actually cover half of the loss of the bank. In this way, the local banks are more willing to disburse loans to SMEs, which are generally perceived as high-risk borrowers.
- A2

Interest Subsidy

This instrument is a grant given by the EU to IFIs in order to lower the cost of their loans to SMEs in the EaP. The grant provides interest subsidies of up to 10%, which is applied to the regular interest rate at which the IFI lends to PFIs and further on to SMEs. The purpose of this instrument is to lower the final cost of finance for SMEs in the EaP.
- A3

Targeted Assistance (TA) to PFIs

This instrument consists of consultancy services, mentoring, and specialised training provided to the local banks. It helps the local banks better understand the policies and procedures of the IFIs and improves the capacity of the local banks in their work with the SMEs.
- A4

Capped Guarantees

This instrument consists of a guarantee given to IFIs in order to lower the risk of lending to SMEs via local PFIs. The guarantees reduce the need of SMEs to provide extensive collateral for loans from the local banks. These guarantees are generally capped at up to 25% of the total portfolio of the local bank and generally 70%-80% of each individual subloan.
- A5

Currency Hedging Subsidy

This instrument is given to IFIs to enable them to disburse loans to PFIs (and ultimately to SMEs) in local currency as there is a risk from fluctuations in exchange rates. Due to the EU grant, the IFIs and subsequently the PFIs can offer loans in local currency to SMEs at a more competitive price, as the banks will not need to add the costs of protecting themselves from adverse changes in the exchange rates to the charges that they levy from the SMEs.
- A6

SME Incentive Grants

SMEs sign a loan contract from one of the credit lines of the IFIs via the PFIs. After the loan is disbursed, there is a verification process to check if the loan was used for the purpose listed in the business plan. Once the verification report confirms compliance, a part of the loan is transformed into a grant, so that the total “cost” of financing is lowered. The most common incentive grants are between 10% and 15% of the loan value.
- A7

Grants to SMEs

These grants are non-reimbursable and generally modest in value in order to support as many SMEs as possible. In general, SME grants are disbursed to target specific economic development goals such as development in rural areas, poor communities, or a response to various types of crises. These grants are usually disbursed through Non-governmental Agencies (NGOs) with links to targeted communities.
- A8

Structured Funds

Typically, this involves direct loans or equity investment in a financial instrument or fund by the EU, rather than working in partnership with IFIs and PFIs. As the EU does not have the capacity to disburse direct loans to SMEs, this function is assigned to an intermediary. The most important EU investment in Direct Finance is shares in the European Fund for Southeastern Europe (EFSE).
- A9

Equity

Equity is a direct investment instrument for funding SMEs by buying participation (shares) in the respective business, when it is in the form of a company. This type of support instrument involves more risk.

When the Lights Go Out, the Scanners Stay On:

How an EU-supported Clinic Keeps Chernihiv Diagnosed

Serhiy But transformed a small diagnostic room into one of Chernihiv’s leading medical clinics, providing high-quality diagnostic services even during Russia’s full-scale invasion of Ukraine.

Founded in 2008, Tesla grew from a two-person operation into a healthcare network employing more than 200 specialists.

Through support from the European Union’s EU4Business initiative, the clinic received advisory assistance to introduce modern management systems and later secured financing and an EU investment incentive to purchase a new MRI machine and strengthen energy resilience during wartime. The investment enabled Tesla to double diagnostic capacity while significantly reducing energy consumption from around 80 kWh to 15-25 kWh per scan.

During the war, Tesla remained operational despite blackouts and attacks, becoming the only functioning MRI provider in Chernihiv in 2022. In 2025, the clinic opened its fourth and largest medical centre, continuing to expand access to modern, patient-oriented healthcare services in northern Ukraine.



[Read full story](#)



“Without the grant support, we wouldn’t have been able to install generators and other systems to keep the clinic operating.”

Serhiy But,
Founder of Tesla clinic

Business Development Services

EU support allocated to improving business development services in Ukraine in 2025

€69.6 million

B1	€37.1 million		53.3%	Consultancy Services for SMEs
B2	€12.0 million		17.3%	Capacity Building of BSOs
B3	€2.9 million		4.1%	Incubators
B4	€1.0 million		1.4%	Clusters
B5	€3.8 million		5.5%	Trade Information
B6	€12.1 million		17.4%	B2B Activities
B7	€0.7 million		1.0%	Export Strategies

✦

In 2025, the share of support allocated to BSOs declined (22.5% in 2024 versus 17.3% in 2025), while consultancy services for SMEs increased substantially (39.4% in 2024 versus 53.3% in 2025). However, support to BSOs also benefits the SMEs they serve. When these two closely linked instruments are considered together, the shift is less pronounced, although still significant, increasing from 61.9% in 2024 to 70.6% in 2025.

Success stories

Toys in the Dark: How a Ukrainian Manufacturer Kept Production Running Through Blackouts



For Ukrainian manufacturers, power cuts and damaged infrastructure have become part of daily operations. In Rivne, toy maker VIP-TOYS responded by investing in energy independence to keep production running during blackouts.

With financing from Ukrgasbank, backed by the EU and EBRD under the EU4Business-EBRD Credit Line, the company secured a €206,533 loan to install a solar power system with energy storage. Its 868 photovoltaic panels provide 0.7 MW of capacity, covering electricity needs during daylight hours and helping stabilise production. VIP-TOYS also received a €37,417 EU grant under a scheme supporting veteran-led businesses.

The investment has helped preserve more than 60 jobs and maintain deliveries in Ukraine and abroad. Around half of the company’s output is exported to 24 countries. The system also saves over 6,900 GJ of energy annually and cuts carbon emissions by nearly 300 tonnes.

For VIP-TOYS, resilience means more than keeping the lights on: it means continuing to invest, protect jobs and compete internationally despite the war.

Read full story

Types of Support Included in Business Development Services

B1	Consultancy Services for SMEs	The EU4Business Initiative aims to increase directly the knowledge and skills of SMEs in the EaP countries through the direct provision (fully or partly paid) of non-financial business services. These can range from basic start-up and registration, accounting, marketing, input supply to technology and product development, training and technical assistance, infrastructure support, and advocacy. These services can be delivered through both international and/or local consultants, in both private firms/ individuals, and/or business support organisations.
B2	Capacity Building of BSOs	This instrument aims at increasing the capacity of Business Support Organisations (such as chambers of commerce, SME associations, professional bodies, sector trade associations, training institutes, etc.) to deliver BDS services to SMEs. The capacity building is achieved through mentoring, training of trainers, advisory services, and study tours that enhance existing services, create new ones, or improve organisational structures.
B3	Incubators	A business incubator is an organisation designed to accelerate the growth and success of entrepreneurial companies through an array of business support resources and services that could include physical space, capital, coaching, common services, and networking connections.
B4	Clusters	This instrument involves group support to SMEs involved in the same field of activity but at different positions in the value chain or with common interests. The basis of the cluster approach is the synergy of creating a more effective value chain within the cluster.
B5	Trade Information	This instrument provides SMEs already exporting, exporting infrequently, or those interested in exporting with the range of information needed to move closer to exports. This instrument can include producing brochures, guides, market report or developing tools for accessing online resources and intelligent searches. It covers market information, marketing guides, and market access requirements.
B6	Business to Business (B2B) Activities	The instrument helps SMEs to make specific contact with potential buyers in the target export markets. This can include participation in online buyer auctions, trade fairs, inward and outward trade missions, buyer meetings, etc. EU support can range from organisation, logistics, preparation and advice, as well as covering the costs of travel and/or stand and event costs.
B7	Export Strategies	This instrument is typically based on studies, analysis, and stakeholder consultation that assesses national production, market requirements, and export constraints. Working with government and stakeholders, it builds a common sector or national approach to develop the exports of competitive products in the target markets. In addition, this instrument can also include support in coordination with implementation of the strategy itself as well as national visibility and branding, support programmes, and stakeholder dialogue.

Business Enabling Environment



C1	€20.3 million	32.4%	Capacity Building of Policymakers / Regulators
C2	€8.4 million	13.5%	Public-Private Dialogue
C3	€22.0 million	35.1%	Regulatory Reform
C4	€11.9 million	19.0%	Information and Communication to SMEs

✦ In the context of Ukraine’s EU accession agenda, the share of support allocated to capacity building for policymakers and regulators increased from 28.0% in 2024 to 32.4% in 2025. Regulatory reform also recorded a modest increase, while the share of Information and Communication activities remained broadly stable. In contrast, Public-Private Dialogue declined from 18.5% to 13.5%, although the reduction in absolute terms was relatively limited (€9.5 million in 2024 compared with €8.4 million in 2025). This may reflect differences in the timing and delivery of activities within long-term projects.

Types of Support Included in Business Enabling Environment

C1

Capacity Building of Policymakers and Regulators

EU4Business interventions aim at strengthening the capacity of staff of various government agencies to ensure better, more transparent, and open policies and regulations that affect business, whilst ensuring appropriate controls in the five EaP countries. This can include making and amending policies, laws, and administrative procedures based on need and risk assessment. EU4Business interventions deliver direct advisory, mentoring services, and study tours to the relevant staff involved in policymaking.

C2

Public-Private Dialogue (PPD)

PPD is an instrument for more inclusive and targeted policymaking. Specifically, it involves effective consultation and collaboration between government and the private sector and/or its representatives, in order to achieve effective reform and administration of regulations that affect SMEs.

C3

Regulatory Reform

Through this instrument, EU4Business interventions support the EaP countries to improve the regulatory environment based on the best practices and to align their SME related legislation, rules, and regulations with those of the EU. Approximation occurs in all five EaP countries, but it is more intensely applied in Georgia, Moldova and Ukraine, as they are future member states of the EU.

C4

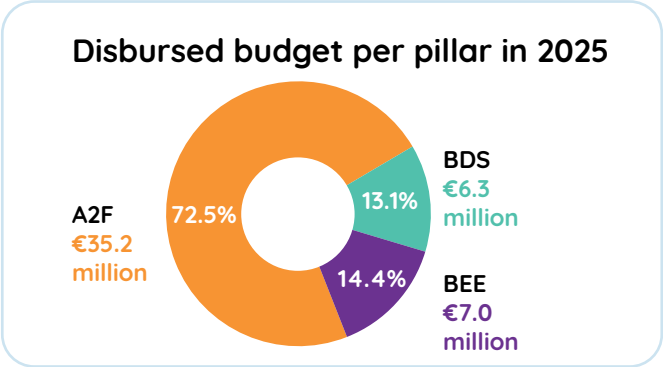
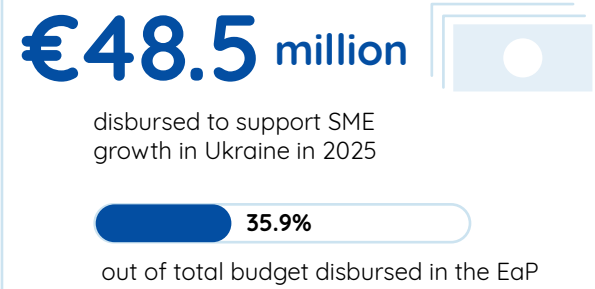
Information and Communication to SMEs

EU4Business interventions support governments to inform SMEs on reforms and implications for their business and steps to comply with regulatory reform.



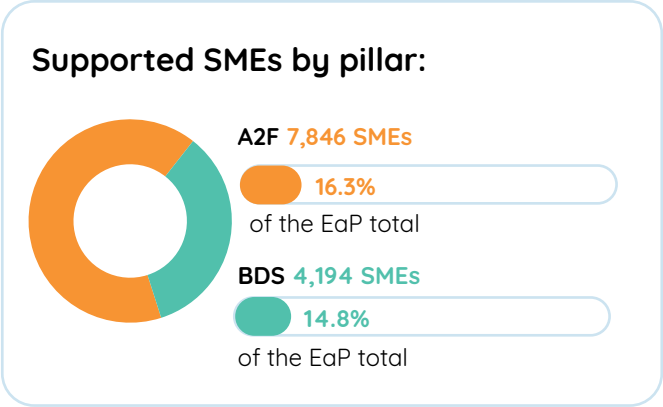
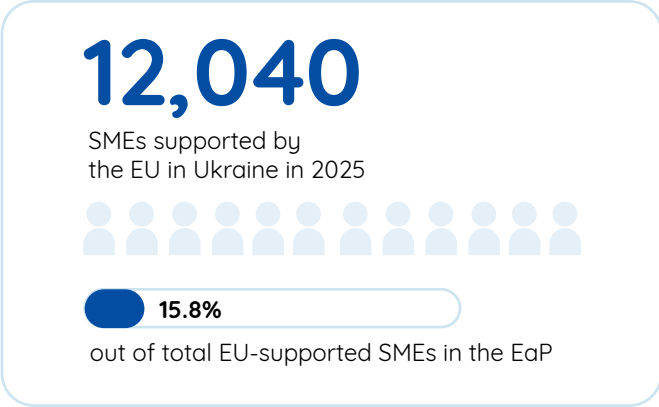
EU4Business Ukraine Results 2025

Disbursed budget



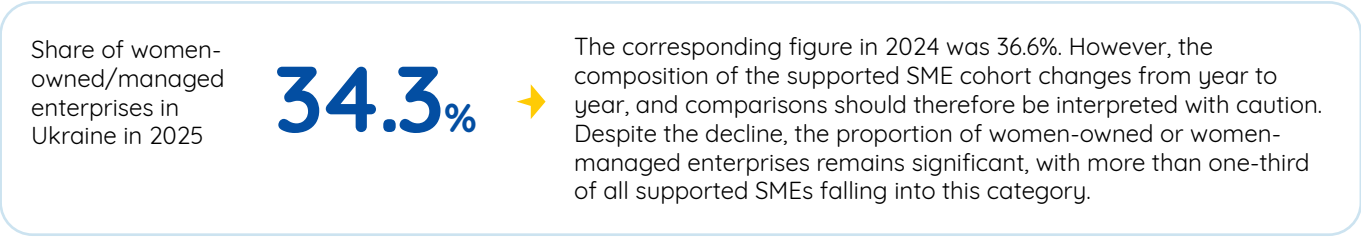
The lower level of disbursement reflects the fact that many UIF projects had been approved and contracted but were not yet fully operational by the end of 2025. As a result, their impact will be reflected primarily in the 2026 reporting cycle. Accordingly, the share of Access to Finance increased only moderately, from 69.1% in 2024 to 72.5% in 2025. As many UIF programmes are concentrated within the A2F pillar, this distribution is likely to change significantly from 2026 onwards.

Number of SMEs supported

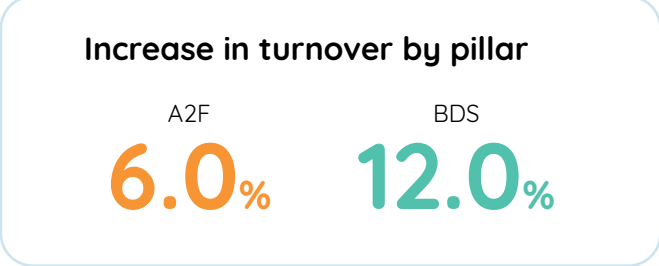
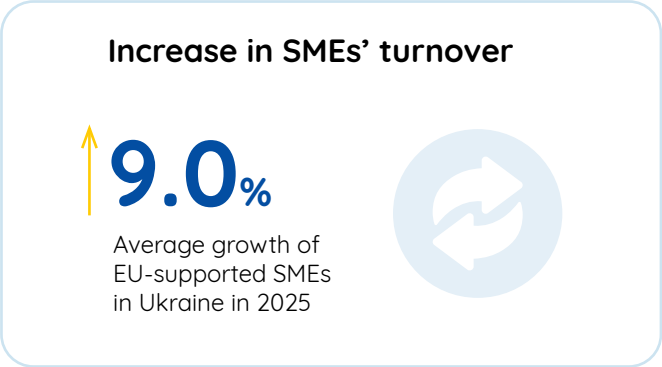
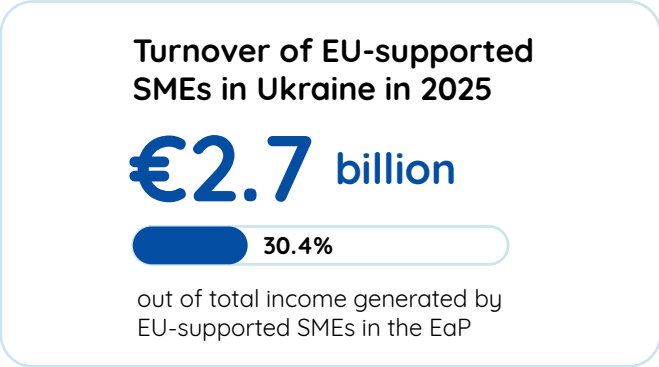


The number of supported SMEs fell from 14,860 in 2024 to 12,040 in 2025, as did Ukraine's share of all EU-supported SMEs in the EaP (from 18.5% to 15.8%). However, this trend is likely to change significantly in 2026 as UIF programmes become fully operational. The decline in 2025 was entirely attributable to the A2F pillar, where most UIF programmes are concentrated. As these programmes begin to deliver results, the balance between support provided through A2F and BDS is likely to shift substantially.

Women in business

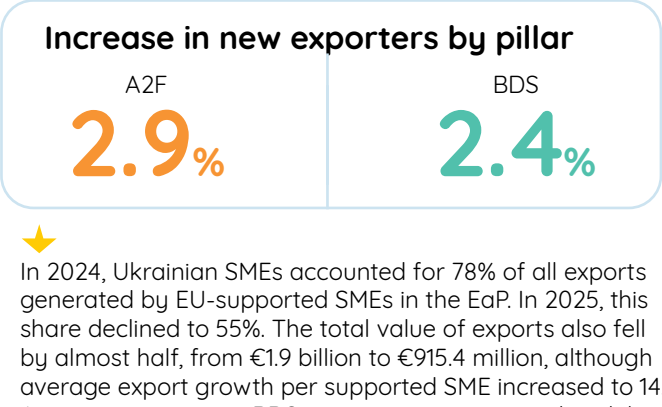
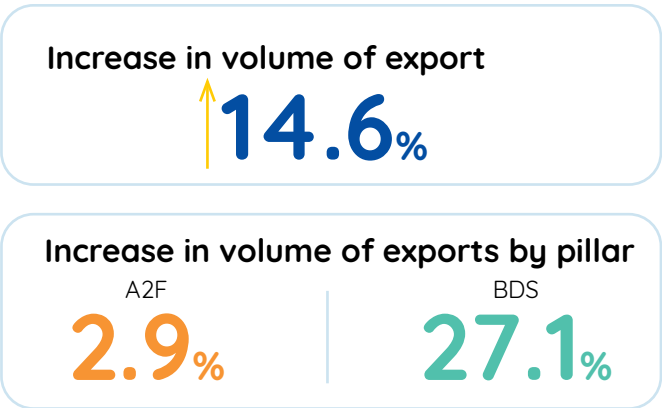
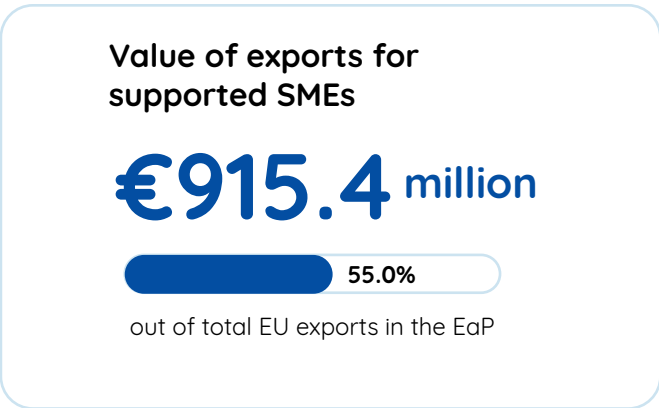


SME turnover



The turnover of supported SMEs fell from almost €5 billion in 2024 to €2.7 billion in 2025. This decline reflects the challenging operating environment faced by Ukrainian businesses, including continued disruptions caused by the war and pressure on energy and transport infrastructure. Average income per supported SME declined from €313,489 in 2024 to €206,946 in 2025, representing a decrease of approximately 34%.

Exports

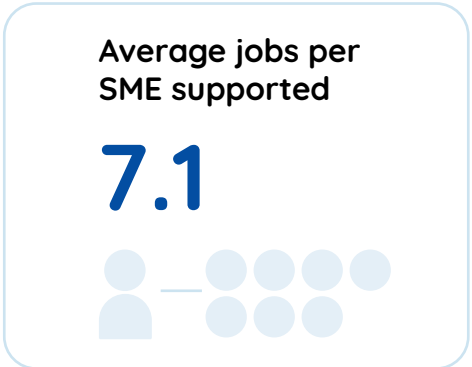
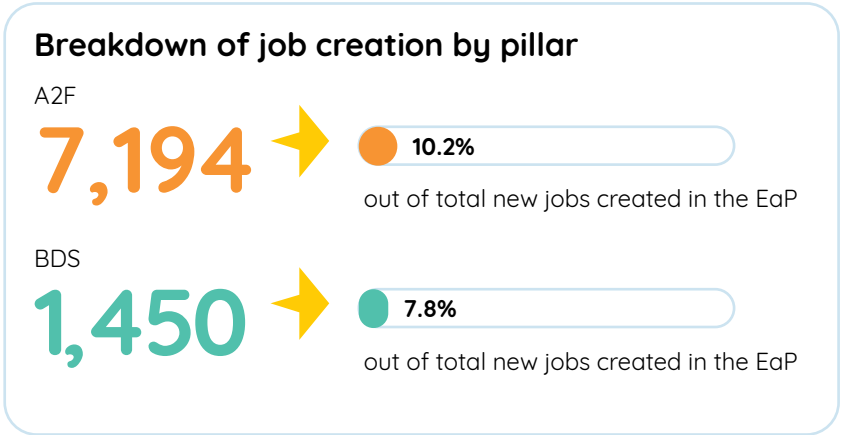


In 2024, Ukrainian SMEs accounted for 78% of all exports generated by EU-supported SMEs in the EaP. In 2025, this share declined to 55%. The total value of exports also fell by almost half, from €1.9 billion to €915.4 million, although average export growth per supported SME increased to 14.6%. As in previous years, BDS interventions continued to deliver the strongest export results, reflecting the importance of advisory and market access support. However, the number of new exporters fell sharply, from 1,476 in 2024 to 322 in 2025.

Employment and job creation



The number of new jobs created by supported SMEs declined from 18,332 in 2024 to 8,644 in 2025. This reduction coincided with a more challenging operating environment for Ukrainian businesses. At the same time, labour shortages continued to affect the labour market. According to data from the State Employment Service, there were 241,000 registered vacancies in August 2025, compared with 132,000 active job seekers. This imbalance may reflect several factors, including labour market disruption caused by the war and workforce shortages associated with mobilisation.



The average number of jobs per supported SME fell from 16.5 in 2024 to 7.1 in 2025. This may reflect changes in the composition of the supported SME cohort, including a different balance between micro, small and medium-sized enterprises.



Success stories

Keeping Ukraine’s “Tomato Belt” Alive: How EU4Business Supports Evrika in Wartime

Evrika grows and processes tomatoes in the Odesa region despite regular shelling, power outages and logistical disruptions. With financial and advisory support under the EU4Business-EBRD credit line, the company upgraded its equipment and reduced energy consumption. This helped stabilise production and maintain supplies for Ukrainian consumers.

Read full story

Success stories

From a Family Idea to a Global Brand: How EU Support Helps Ukraine’s Kormotech Grow Worldwide

Despite Russia’s full-scale invasion, Ukrainian pet food producer Kormotech continues to expand internationally, exporting to 51 countries while keeping production in Ukraine.

Through the EU4Business Initiative, implemented by the EBRD, the European Union has supported Kormotech with advisory services to improve production efficiency, strengthen product development and enhance sustainability, as well as grants to increase energy efficiency. This support has helped the company become more competitive and resilient while accelerating its international growth.

Today, Kormotech is a global brand with ambitious export plans, demonstrating how EU4Business helps Ukrainian businesses innovate, grow and succeed even in times of war.



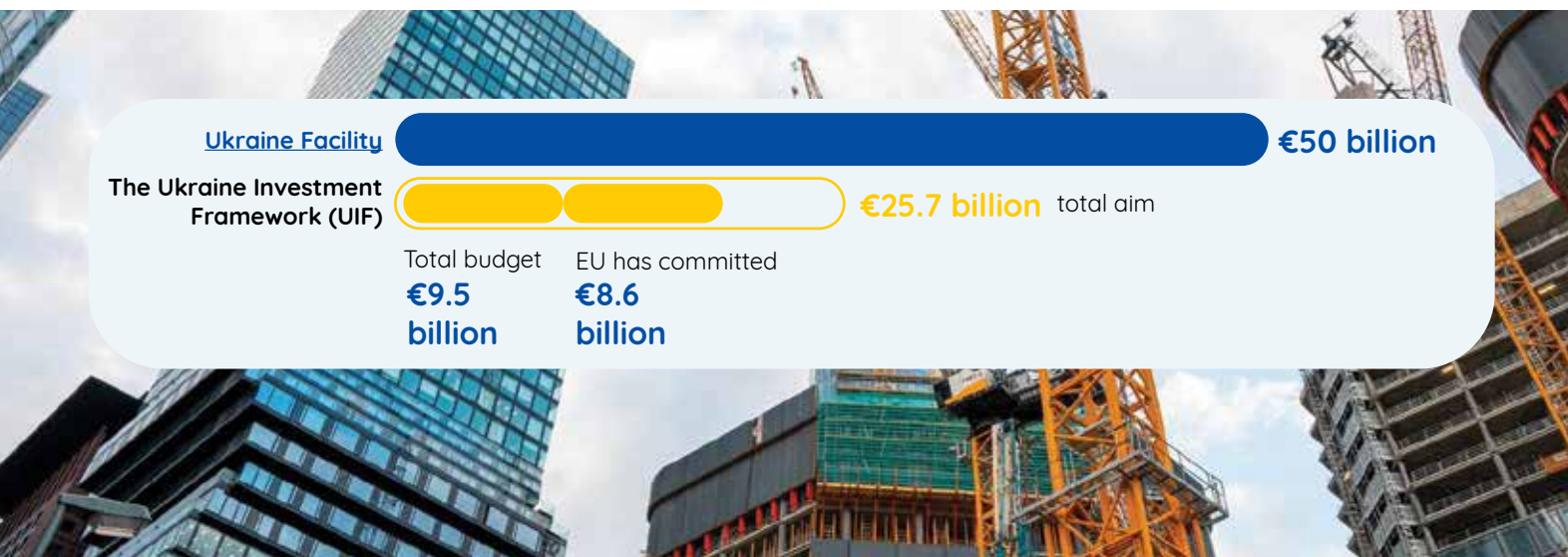
Read full story

We aim to grow tenfold in export markets – from €30 million to €300 million, and eventually reach €500 million by 2029.

Rostyslav Vovk
CEO and Co-Founder of Kormotech LLC

The Ukraine Investment Framework and MSMEs Support

The Ukraine Investment Framework (UIF) is part of the EU's €50 billion [Ukraine Facility](#). It aims at unlocking public and private investments contributing to Ukraine's recovery and reconstruction, while advancing on its EU integration. Its total budget is €9.5 billion and so far, the EU has committed €8.6 billion, which aims to mobilise a total of €25.7 billion of investment.



The Ukraine Investment Framework is guided by clear principles: effectiveness and transparency, Ukrainian ownership of priorities, coordination with donors, and alignment with EU climate and environmental standards. In practice, this means EU and Ukraine define priorities together. The UIF is guided by a Steering Board led by the European Commission and EU Member States, with Ukraine and the European Parliament involved as observers. All initiatives must match Ukraine's national recovery plan and public projects must be included in the [Government's Dream State Single Project Pipeline](#) to ensure coherence and accountability. Programmes are coordinated with international partners, and investments support both urgent recovery and long-term reconstruction.

European and international financial institutions implement programmes under the Ukraine Investment Framework by using EU guarantees, loans, grants and technical assistance to mobilise investment. Key implementing institutions are the European Investment Bank (EIB), the European Bank for Reconstruction and Development (EBRD), the International Finance Corporation (IFC), as well as national development banks such as the Polish Development Bank (BGK), German Development Bank (KfW), Italian Development Bank (CDP), which are also implementing other programmes within the EU4Business Initiative.

Under the UIF, a significant share of funding goes to SMEs and start-ups, contributing to the resilience

and recovery of the Ukrainian economy. The Ukraine Facility Regulation enshrined a target of 15% of the UIF guarantee capacity that should be allocated to MSMEs, amounting to €1.17 billion. Currently, 62% of the target has been reached, representing €725.7 million in Guarantee. In total, the EU has mobilised €1 billion of support to SMEs, aiming at unlocking €6 billion in new investments. This amount of support has a systemic effect in Ukraine, taking into account the current total SME lending estimated up to €8 billion for 2025.

In order to support access to finance for MSMEs, EU guarantees and blending finance allow commercial banks in Ukraine to expand their SME lending portfolio, improve lending conditions, and facilitate access to finance for war-affected and vulnerable businesses. The EU programmes involve the EFIs in their risk-sharing mechanisms and a large network of local financial institutions in Ukraine, benefiting from EU guarantees.

Newly approved programmes specifically focus on war-affected businesses, meaning companies that have seen their asset destroyed by the war, companies led by or employing war veterans, Internally Displaced Persons (IDPs), as well as priority target groups such as women-led, youth-led enterprises, companies employing persons with disability. These programmes have a social inclusion objective in addition to facilitating access to finance for small and medium businesses.

The UIF supports MSMEs through the following programmes:

EU4Business MSME Access to Green, Growth and Inclusive Finance

The programme supports Ukrainian micro, small and medium-sized enterprises with access to finance for recovery, growth, and green transition. With EU support and EIB implementation, local partner banks can provide loans on better terms to companies that keep people employed, invest in modern technologies, and expand into new markets. The initiative helps businesses weather the impact of the war, create jobs, and strengthen local economies while driving Ukraine's sustainable recovery.

Lending to Micro and Small Enterprises via the EFSE Fund

The programme supports the restoration and relocation of war-affected companies, micro and early-stage entrepreneurship, businesses in de-occupied/front-line regions, and the adaptation of agricultural business. The EU is providing first loss capital of €45 million, €9 million in investment grants and €1 million in technical assistance via the German development bank (KfW) to generate investments expected to total €205 million.

Financial Inclusion Recovery Programme with SME Competitiveness and Inclusion Programme

The programme expands access to finance for Ukrainian small businesses and households during the war and recovery. With EU guarantees and grants implemented by the EBRD, local partner banks and leasing companies can provide loans to those most in need, including small farmers, family-owned businesses, women- and youth-led enterprises, and companies investing in green technologies. This means more entrepreneurs can keep their businesses running, protect jobs, and invest in Ukraine's future.

MSME Access to Green, Growth and Inclusive Finance – Partial Portfolio Guarantee Programme

The programme helps Ukrainian micro, small and medium enterprises (MSMEs) access affordable finance to recover, grow and invest in greener and more inclusive business models. With EU guarantees implemented by the EIB Group through the European Investment Fund (EIF), local banks are able to lend to companies that otherwise struggle to get credit, including businesses affected by the war, located near frontlines, owned or managed by women, veterans or displaced people, as well as start-ups. By unlocking much-needed finance, the programme strengthens resilience, supports jobs, and opens opportunities for innovation and sustainable growth.

EU Support for Ukrainian MSMEs Programme

The programme channels EU-backed guarantees through BGK to support Ukrainian MSMEs, especially those operating in war-affected regions. By lowering collateral requirements and sharing risks with local banks, it gives entrepreneurs access to loans they would otherwise not receive. This support helps businesses relocate to safer areas, repair war damage, and sustain jobs, while keeping economic activity alive in the most difficult conditions.

EU-Ukraine SME Access to Finance via EDFI MC

The programme helps expand access to finance for Ukrainian enterprises, including SMEs, mid-caps and equity funds, with a focus on resilience, green transition, agri-food, energy, manufacturing, transport and digitalisation. The programme, implemented through the Joint EDFI Ukraine Guarantee, mobilises European development finance institutions and private investors to sustain and grow Ukraine's private sector during and after the war. The EU is providing guarantees of €225 million and a grant of €14.5 million to generate investments expected to total €2.49 billion.

EU-EBRD Financial Inclusion Recovery Programme

The programme helps expand access to finance for Ukrainian micro, small and medium-sized enterprises through a wide network of partner banks. The programme combines EU guarantees, investment grants and technical assistance to de-risk lending and stimulate investment in modern and green technologies. It also targets vulnerable groups of entrepreneurs, including those affected by the war, and supports job creation and business resilience across the country. The EU is providing guarantees of €200 million and a grant of €117 million to generate investments expected to total €2.1 billion. This programme is an extension of the Financial Inclusion programme.

EU Support for Ukrainian Micro, Small and Medium-Sized Enterprises (MSMEs) – Phase 3

The programme aims at strengthening access to finance for Ukrainian enterprises and support their recovery, competitiveness, and integration into the EU market. The programme responds to the growing demand for stable long-term lending, addressing gaps in existing risk-sharing instruments by also reaching larger SMEs (SME+). Loans under the scheme will help companies maintain operations, invest in growth, and preserve jobs despite the ongoing war. The EU is providing guarantees of €100 million and a grant of €20.4 million via the Polish development bank (BGK) to generate investments expected to total €805 million.

Ukraine SME Recovery Programme

The programme helps restore and expand access to finance for Ukrainian small and medium-sized enterprises (SMEs), helping them recover from the war, maintain operations and invest in growth. Implemented with the European Bank for Reconstruction and Development (EBRD), the programme combines guarantees and technical assistance to de-risk lending and equity investments, enabling SMEs to rebuild, create jobs and adapt to new market conditions. The EU is providing guarantees of €41 million and a grant of €5.25 million to generate investments expected to total €154 million.

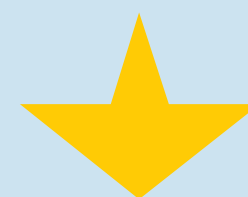
CDP FAO TERRA Ukraine

TERRA Ukraine aims at supporting the agribusiness sector stakeholders, namely agri MSMEs and SMEs+, through financial institutions operating in Ukraine. The EU provides a guarantee of €100 million and €5 million of Technical Assistance (TA). The TA will be managed by the FAO and used to support financial institutions in their agri-lending strategy and risk management practices, as well as to support agri-MSMEs in the introduction of sustainable practices and the enhancement of financial literacy. The programme is expected to generate investments of €353 million.

IFC MSME+ Growth Catalyst

MSME+ Growth Catalyst aims at supporting MSMEs and SMEs+ through intermediated lending, with a strong support to CAPEX investments and a focus on sustainable investments. The guarantee provided by the EU stands at €125 million, and will be accompanied by an Investment Grant (IG) of €15 million, with the objective of subsidizing investments covered by the guarantee targeting underserved groups and CAPEX investments, and a TA of €6.25 million for IFC to assist the financial institutions progressing on sustainable solutions offered to end-beneficiaries and on their strategy to enable access to finance to vulnerable groups. The programme is expected to generate investments of €621.25 million.

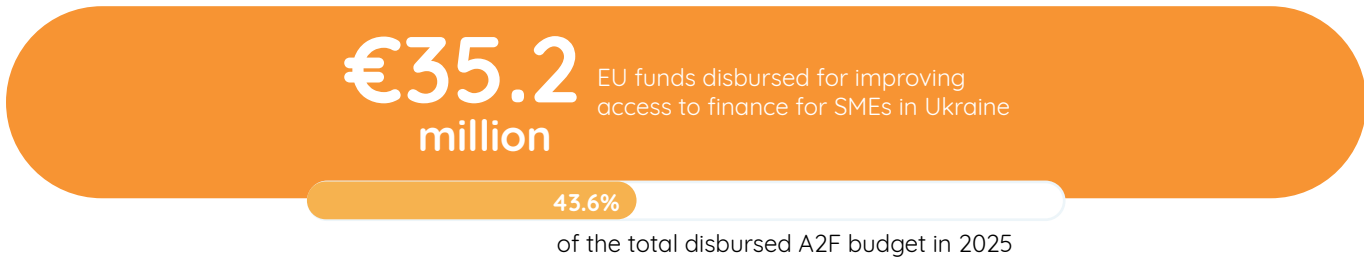
The outcomes of the UIF SME programmes will form part of the results that shall be included in future EU4Business reports, both for the overall EU SME support portfolio, but also future reports on Ukraine.



EU4Business Ukraine Results by Key Instruments

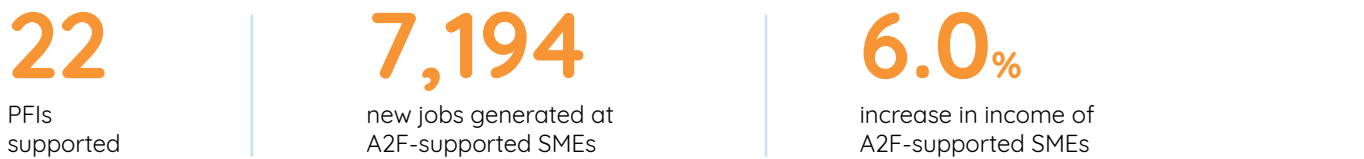
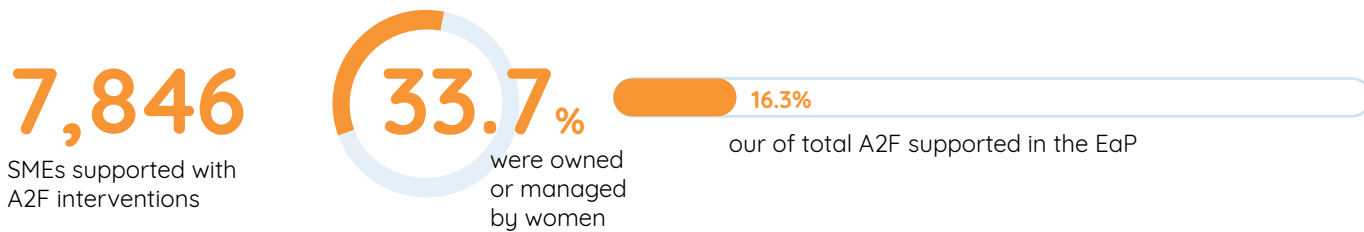
Results in Access to Finance

Disbursed budget in A2F



The share of total A2F disbursements increased from 38.8% in 2024 to 43.6% in 2025, although actual disbursements declined from €41.0 million to €35.2 million. These changes should be interpreted with caution, as project implementation and disbursement patterns often vary over time and do not necessarily follow a linear trajectory.

Overall results in A2F



Success stories

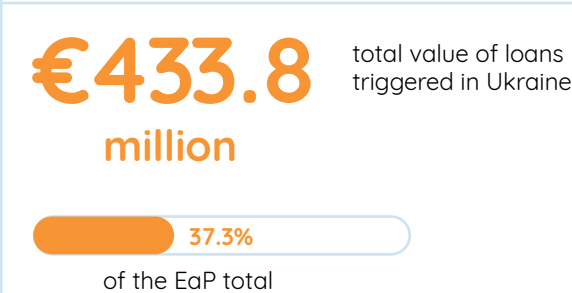
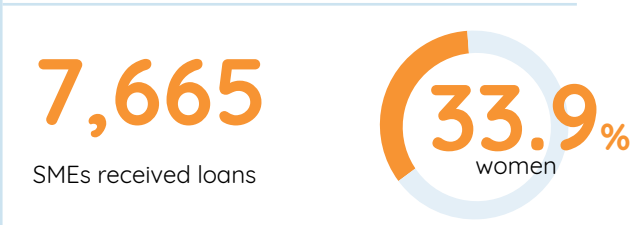
Rebuilding Under Fire: How Ukrainian Businesses Are Sustaining Growth with EU-Backed Finance

EU-supported financing helped two Ukrainian companies maintain and rebuild their operations during the war. Gurow & K, a Kharkiv printing company whose production facility was hit by a Russian missile in 2024, used financing to replace critical equipment, restore its full production cycle and preserve 72 jobs. Yarofruit, a producer exporting frozen fruit and vegetables to more than 26 countries, used financing to increase raw material purchases, expand exports and support more than 100 jobs.

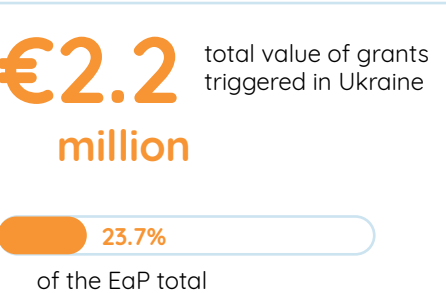
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Grants and loans received

Loans



Grants



The number of SMEs supported declined in 2025, alongside lower disbursement levels. The average loan size also decreased from €88,718 in 2024 to €54,416 in 2025, while the average grant value more than doubled. Nevertheless, grant financing remained limited, accounting for only 0.5% of the total value of loans triggered.

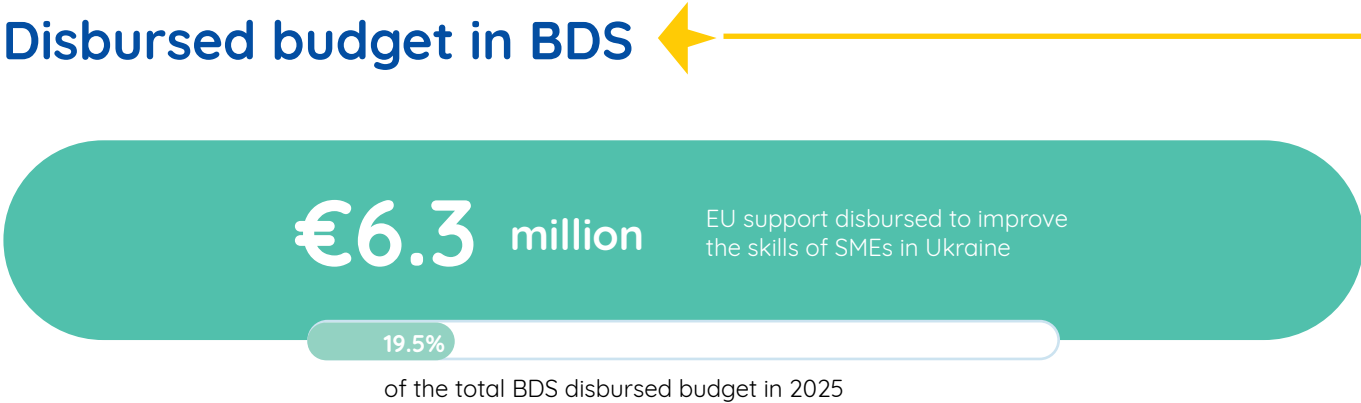
Success stories

Coffee Under Fire: How an Entrepreneur Built a Business in Frontline Kharkiv During Wartime

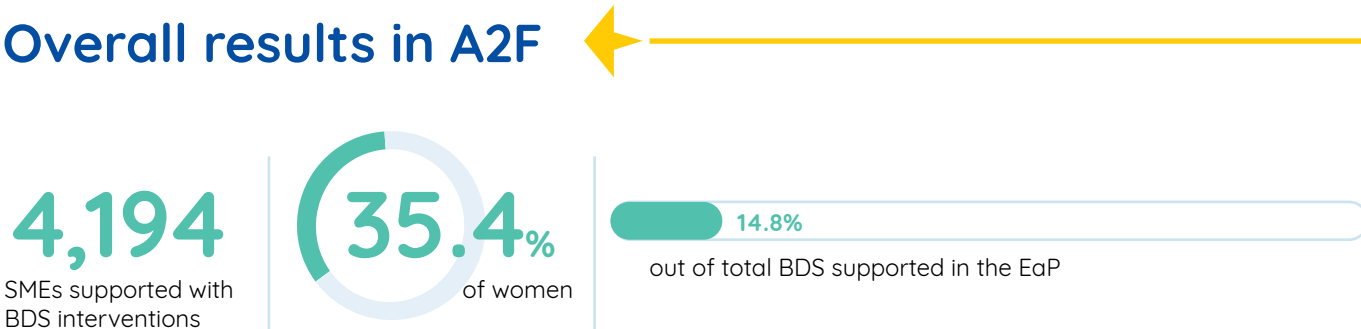
Dmytro Hokov, an entrepreneur from Kharkiv, opened his own coffee shop in a neighbourhood where even basic services were scarce. He launched the business during the full-scale invasion. With support from EU4Business, he invested in professional coffee equipment and established stable operations. Today, the café creates jobs and remains an important gathering place for local residents.

[Read full story](#)

Results in Business Development Services

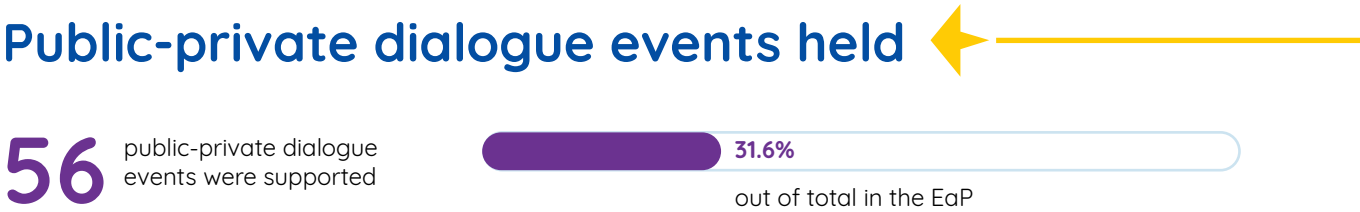
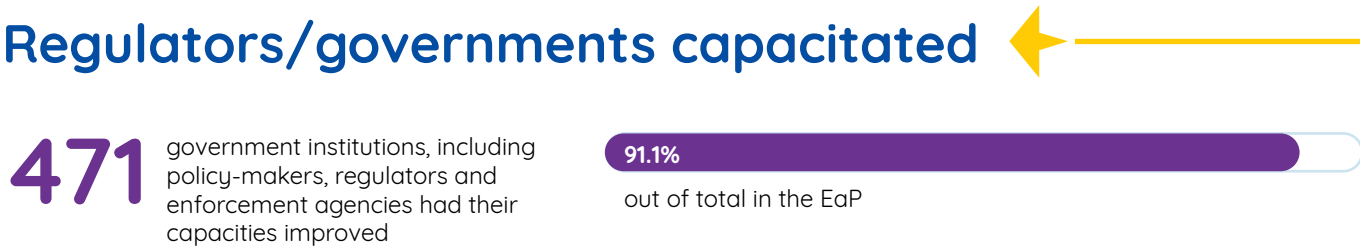
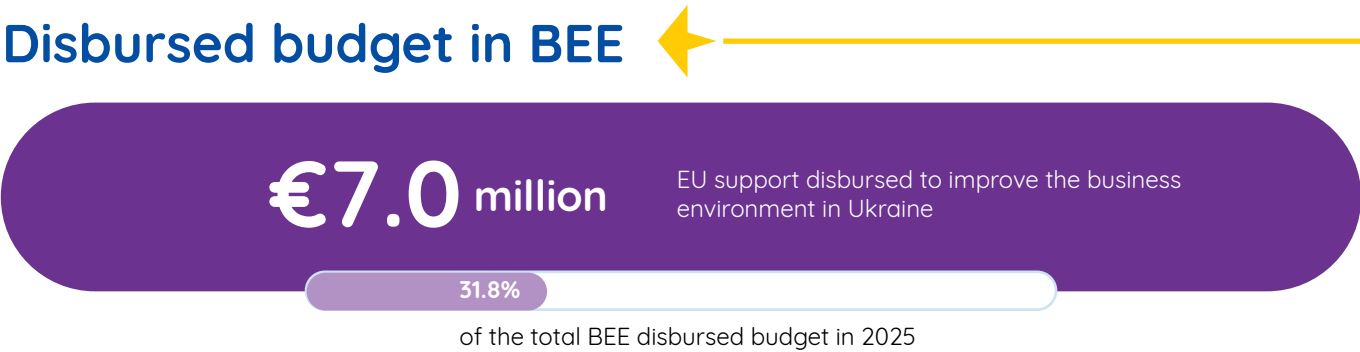


★ The 2025 disbursement was lower than in 2024, which reduced the overall scale of activities. However, these figures should be interpreted with caution, as project implementation and expenditure often vary over time and do not follow a linear pattern.



★ The number of SMEs supported in 2025 remained broadly unchanged compared with 2024 (4,194 versus 4,160). However, the number of BSOs receiving support fell substantially, from 107 to 16. This may reflect a more selective approach to BSO support, although additional information would be needed to confirm this interpretation. At the same time, the average growth in income among BDS-supported SMEs increased from 9.2% in 2024 to 12.0% in 2025.

Results in Business Enabling Environment



★ BEE disbursements declined from €9.2 million in 2024 to €7.0 million in 2025. Despite lower funding levels, the number of normative acts changed increased from 71 to 103. The number of public-private dialogue events declined from 214 to 56. However, the number of events alone does not necessarily reflect the intensity of stakeholder engagement, particularly given the broader consultation activities led by the Ministry of Economy within the framework of the 2027 SME Development Strategy, especially in areas related to deregulation.

OECD Competitiveness Outlook 2026:

Strengthening competitiveness through EU4Business support in Armenia, Republic of Moldova, and Ukraine

The OECD will soon publish the **Competitiveness Outlook 2026: Armenia, Republic of Moldova and Ukraine**, a comprehensive analysis developed with the support of the European Union within the framework of the EU4Business initiative.

The publication represents a concrete result of the work carried out through EU4Business projects, which support partner countries in strengthening competitiveness, improving the business environment and advancing sustainable economic development.

In particular, the EU4Business: Empowering Trade and Competitiveness in the Eastern Partnership project has contributed to the preparation of this important

assessment by supporting the collection of evidence, analysis and policy insights needed to better understand competitiveness challenges and identify reform priorities across the region.

The OECD Competitiveness Outlook provides an in-depth analysis of the policy settings and institutional factors that shape competitiveness in Armenia, the Republic of Moldova and Ukraine.

The assessment focuses on three key areas:

1 Business environment



2 Trade and transport connectivity



3 Labour markets and skills



Through this analysis, the Outlook identifies strengths, remaining challenges and priority areas where further reforms can support productivity growth, investment and long-term economic resilience.

Key areas

1

Strengthening the business environment

The OECD findings show that all three countries have made significant progress in strengthening the business environment through reforms in investment policy, financial markets, state-owned enterprises (SOEs) governance and competition policy. **EU alignment and approximation processes have been major drivers of reform**, resulting in stronger strategic frameworks and institutional design.

At the same time, important challenges remain. Future efforts will need to focus on translating improved policy frameworks into stronger private sector development, expanding access to finance beyond traditional banking channels, and ensuring that competition frameworks are supported by effective enforcement mechanisms and adequate institutional capacity.

2

Improving trade and transport connectivity

Reforms in trade and connectivity have contributed to closer integration with European markets. Countries have advanced customs digitalisation, trade facilitation measures and regulatory harmonisation, while investing in transport and logistics infrastructure.

Nevertheless, important bottlenecks remain, particularly in multimodal connectivity, infrastructure quality, logistics performance and cross-border cooperation among border agencies. Fostering sustainable growth will require continued investment in connectivity, deeper integration into European trade and transport networks, stronger cross-border cooperation, and greater incorporation of sustainability objectives into policymaking.

3

Investing in skills and human capital

Labour markets have shown resilience despite significant economic and demographic pressures. Governments are modernising employment services, strengthening active labour market policies and expanding support for vulnerable groups.

At the same time, demographic decline, migration, labour shortages and persistent skills mismatches continue to constrain productivity growth. Strengthening lifelong learning systems and improving links between education and labour market needs will be essential to ensure that workers have the skills required for a competitive, innovative and sustainable economy.

Turning reforms into results

Across all three pillars, the assessment identifies a common challenge: **ensuring that ambitious reform agendas translate into effective implementation and tangible results**. Limited administrative capacity, fragmented institutional responsibilities and weak monitoring and evaluation systems continue to constrain the impact of reforms.

Looking ahead, strengthening competitiveness will depend on the successful implementation of reforms across the three policy pillars. Key priorities include improving the business environment by attracting higher-quality investment, developing transparent and diversified

financial markets, strengthening SOEs governance and competition enforcement, deepening transport and trade connectivity through both infrastructure investment and regulatory reform, and equipping workers with the skills needed to enhance productivity, innovation and the green and digital transition.

Across all areas, stronger whole-of-government coordination, clearer institutional mandates, enhanced administrative capacity, and more robust monitoring and evaluation systems will be essential to ensure that reforms deliver tangible benefits for businesses and citizens.

The forthcoming OECD Competitiveness Outlook 2026: Armenia, Republic of Moldova and Ukraine will provide a detailed analysis of these issues together with country-specific recommendations to support governments in strengthening competitiveness and fostering sustainable economic growth.

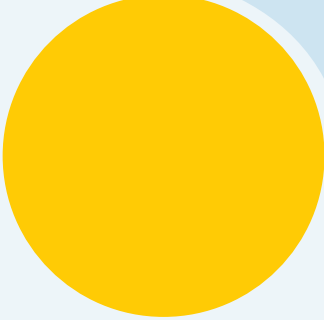
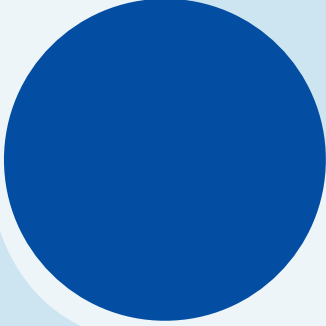
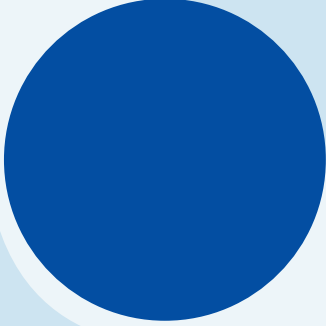
Annex 1: List of projects in Ukraine in 2025

Title	Total Budget	Start date	End date	Type of the Project	Areas of Intervention		
					A2F	BDS	BEE
EU Support for Ukrainian MSMEs	€10,000,000	2023	2036	Bilateral	●		
"EU Support for Ukrainian Micro, Small and Medium-Sized Enterprises (MSMEs) (NEAR – UA FACILITY/224/456-726)"	€10,000,000	2024	2036	Bilateral	●		
EU SME Competitiveness and Inclusion Programme in Ukraine	€37,000,000	2024	2029	Bilateral	●	●	●
Support to align Ukrainian legislation, policies and institutions with EU acquis in agriculture and rural development (IPRSA III)	€7,505,150	2025	2029	Bilateral		●	●
STEP IN 2 EU (Support for Trade, Economy, Policies, Institutions, Norms) in Ukraine	€12,000,000	2025	2028	Bilateral	●	●	●
Further regulatory approximation with the EU legislation and international standards in financial markets in Ukraine	€2,750,000	2025	2028	Bilateral			●
Strengthening the innovation capacities of the Ukrainian Defence Technological Industrial Base (aka EU4UA Defence Tech)	€4,997,958	2025	2027	Bilateral	●	●	●
Implementing Effective Supervision over Non-bank Financial Institutions	€1,500,000	2025	2026	Bilateral			●
Support to the Partial Credit Guarantee Fund (PCGF) under the land reform	€17,545,000	2023	2026	Bilateral	●		●
Competition and State aid rules and practices alignment with the EU Acquis	€3,300,000	2023	2026	Bilateral			●
Inclusive, competitive and sustainable value chain development in agriculture, fisheries and forestry	€22,050,000	2021	2026	Bilateral	●	●	●
Continued support to align Ukrainian legislation, control and awareness with the EU Acquis in food safety, animal health and welfare, and phytosanitary (EU4SaferFood 2) (ILCA2)	€1,999,885	2024	2025	Bilateral		●	●
Institutional and Policy Reform for Smallholder Agriculture	€8,999,900	2021	2025	Bilateral		●	●
Supporting Ukraine in rebuilding and recovery	€996,965	2022	2025	Bilateral		●	●
EU4Business: Network of Business Support Centres in Ukraine	€40,000,000	2016	2025	Bilateral	●	●	

Title	Total Budget	Start date	End date	Type of the Project	Areas of Intervention		
					A2F	BDS	BEE
M4EG II Grant contract with Mamalyha Village Council "Connecting communities – for sustainable economic growth (ConCom4EG)"	€366,390	2021	2025	Bilateral		●	
EU4Business: SME Policies and Institutions Support (SMEPIS) Ukraine	€3,999,200	2023	2025	Bilateral		●	●
EU4Business: SME Recovery Programme Ukraine	€10,000,000	2022	2025	Bilateral	●	●	
New Economy of Ivano-Frankivsk (NEF) – supporting emerging innovative economic activity clusters in Ivano-Frankivsk	€999,900	2022	2025	Bilateral		●	●
Implementation of EU practices for accounting, financial reporting and audit in Ukraine	€2,969,600	2020	2025	Bilateral		●	●
Pyriatyn community value chains in dairy and berry clusters to support youth and rural residents economic empowerment and enable local green growth	€904,582	2022	2025	Bilateral	●	●	●
Fostering economic growth in Kamyanets-Podilskyi hromada	€137,457	2022	2025	Bilateral		●	●
EU4Business Initiative in Support for Ukraine Private Sector	€10,000,000	2024	2046	Regional	●		
Green for Growth Fund – Technical Assistance Contribution for the East	€3,900,000	2024	2045	Regional	●	●	●
EFSE – EU4Business: Local Currency Lending to MSEs in the Eastern Partnership	€39,921,000	2020	2041	Regional	●		
Promoting Green Lending in the Eastern Partnership	€32,855,000	2020	2040	Regional	●		
Green for Growth Fund – Promoting Green lending in Ukraine (top up)	€150,000,000	2024	2040	Regional	●		
EU4Business – The EU Local Currency Partnership Initiative: the European Fund for Southeast Europe (EFSE)	€50,320,000	2018	2039	Regional	●		
218 NIP decision share – Green for Growth – Extension to Neighbourhood East II	€5,162,849	2018	2039	Regional	●		
Green for Growth – Extension to Neighbourhood East II	€6,157,151	2018	2039	Regional	●		
"EU4Business Guarantee Facility" financed from the general budget of the European Union under the Neighbourhood Investment Platform	€41,495,000	2020	2035	Regional	●		
SMEs Competitiveness in Ukraine and Moldova – NIP contract	€20,910,400	2023	2032	Regional	●	●	
EBRD Advice for Small Businesses, Team Europe EaP window	€17,064,714	2020	2031	Regional		●	
EU EBRD Local Currency Initiative	€6,216,000	2021	2030	Regional	●		

Title	Total Budget	Start date	End date	Type of the Project	Areas of Intervention		
					A2F	BDS	BEE
Eastern Partnership SME Finance Facility – Phase II KfW	€5,200,000	2017	2030	Regional	●		
DCFTA SME Direct Finance Facility	€10,220,000	2014	2029	Regional	●	●	
Grant for the DCFTA Initiative East – Local Currency Solution Programme	€5,300,000	2018	2029	Regional	●		
EU4Business Empowering Trade and Competitiveness in EaP Countries	€13,000,000	2025	2029	Regional		●	●
Mayors for Economic Growth – Phase 3	€10,000,000	2025	2028	Regional	●	●	●
Strengthening Intellectual Propriety Rights in Georgia, Moldova and Ukraine	€5,600,000	2024	2028	Regional			●
EU4Business EBRD Credit line (SME Competitiveness Programme in Eastern Partnership – 219 funds)	€42,675,049	2019	2028	Regional	●		
“EU4Innovation East” Support to Digital innovation in the Eastern Partnership region	€20,000,000	2024	2028	Regional		●	●
Finance and Technology Transfer Centre for Climate Change (FINTECC) – EU4Climate Window	€15,400,000	2020	2027	Regional	●		
EFSD – IFC guarantee for Ukraine	€3,750,000	2023	2027	Regional	●		
EFD IFC guarantee in Ukraine	€2,500,000	2023	2027	Regional	●		
Women in Business Phase II	€8,440,000	2021	2027	Regional	●	●	
EU4Business EBRD Credit line (EU Deep and Comprehensive Free Trade Area (DCFTA) Facility, EBRD DCFTA Programme)	€38,900,000	2017	2027	Regional	●	●	
Eastern Partnership SME Finance Facility – Phase II EIB	€5,200,000	2017	2027	Regional	●		
EU4Business EBRD Credit line (SME Competitiveness Programme in Eastern Partnership – 218 funds)	€52,908,951	2019	2026	Regional	●		
EU4DIGITAL Facility – phase 2	€16,000,000	2022	2026	Regional		●	●
EU4Business EBRD Credit line (EU Deep and Comprehensive Free Trade Area (DCFTA) Facility, EBRD DCFTA Programme)	€19,430,000	2016	2026	Regional		●	●
Mayors for Economic Growth 2 TA	€11,800,000	2021	2026	Regional		●	●
Lending to Micro and Small Enterprises via the EFSE Fund – top up	€10,000,000	2024	TBD	Regional	●		
SME Competitiveness and Inclusion Programme in Ukraine	€37,720,000	2026	TBD	Regional	●	●	
Financial Inclusion Recovery Programme in Ukraine	€177,000,000	2024	TBD	Regional	●	●	

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