



EU4Business

COUNTRY REPORT

2020

UKRAINE



WWW.EU4BUSINESS.ORG.UA

TABLE OF CONTENTS

➤	EXECUTIVE SUMMARY: 2020 at a glance	4
➤	EU SUPPORT TO SMES IN UKRAINE IN 2019	7
	Portfolio overview	8
	Breakdown by intervention	9
	Overview by type of intervention	10
	Access to Finance	10
	Business Development Services	15
	Business Enabling Environment	20
➤	ACHIEVEMENTS IN 2020	24
	Aggregated results	25
	Access to Finance	31
	Business Development Services	35
	Business Enabling Environment	37
➤	ANNEX	39
	List of projects in Ukraine as of 2020	39



[EXECUTIVE] [SUMMARY]

EXECUTIVE SUMMARY

FOR UKRAINE:

2020 AT A GLANCE

The 2021 EU4Business Country Report for Ukraine shows that the difficulties and challenges due to the COVID pandemic continue to affect SMEs and are equally challenging for the delivery of support by EU partners and implementers. The immediate EU response to the COVID pandemic was to increase the budget of the EU4Business Portfolio and reorient projects to meet these peculiar circumstances.

This means that in 2020, the budgets available to support SMEs in the EaP rose by

+11.8%

representing an increase in

€21.1
million



Despite this, the multiple lockdowns across much of 2020 meant disbursements fell

2020

€40.5 million

2019

€47.6 million

as projects, SMEs, and government closed down or worked remotely and travel restrictions were in force.

Despite this, EU4Business projects and programmes have supported

7,836 SMEs
in 2020



This is still a substantial proportion of the

380,079

micro-, small-, and medium-sized enterprises
(based on national statistics data)

A rise of

82.8%

compared with 2019 as EU in Ukraine supported smaller SMEs

or **1/50** in



SMEs in the EaP supported by the EU
(assuming each SME receives support once only).

PORTFOLIO FOR UKRAINE IN 2020

37
projects

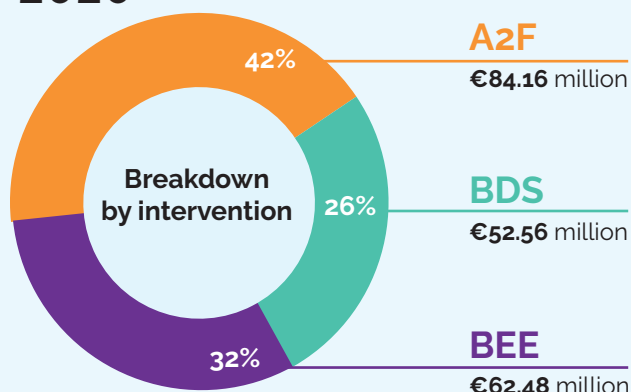
Total budget of EU support in Ukraine

€199.21
million

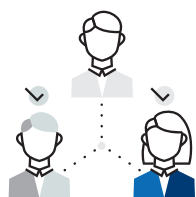
Of which

€40.49
million

was disbursed

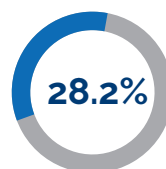


RESULTS OF EU SUPPORT IN 2020



7,836 →

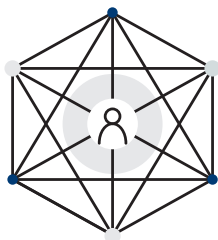
SMEs supported



women-owned

20,380

new jobs created



↑ **+8.44%**

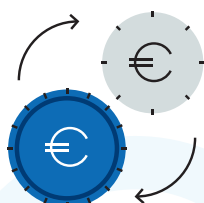
increase in staff in EU-supported SMEs

↑ **+28.6%**

growth in SMEs' turnover recorded

€3,770.55

million total turnover



↑ **+6.2%**

EU-supported SMEs engaged in exporting

€838.01

million extra income generated

↑ **+7.2%**

EU-supported SMEs increased their exports

IMPACT OF EU SUPPORT

For every million euro of EU support

€1
million

Compared 2019

194

SMEs benefited

503

new jobs were generated

€20.70

million increase in income

90

SMEs benefited

258

new jobs were generated

€15.6

million increase in income



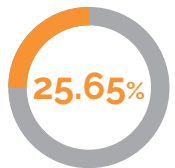
RESULTS PER PILLAR



Access to Finance (A2F):

762

SMEs received loans



to women-owned SMEs

€59.63

million
total value of loans

€77,739

average loan

8

partner financial institutions supported



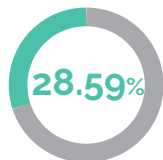
Business Development Services (BDS):

73

business support organisations improved their capacity

6,100

consultancy services delivered to SMEs



women-owned

426

SMEs participated in B2B events



Business Enabling Environment (BEE):

901

laws, policies, regulations and procedures reformed

572

public-private dialogue events held

116

government institutions improved their capacity

EU4BUSINESS FACILITY COMMUNICATIONS



50+

success stories and news items were generated in Ukraine and shared

Websites

8,400

website visits to Ukrainian webpage during November 2020 — August 2021

32,300

webpage visits during November 2020 — August 2021

The new website was launched in November 2020

WWW.EU4BUSINESS.ORG.UA



Newsletters

16

newsletters issued since August 2020

+18%

growth in subscribers from Ukraine as of August 2021 in comparison to August 2020



Mark Hellyer

Team Leader,
EU4Business Facility

As businesses around the world continue to struggle with the effects of the COVID pandemic, the EU has demonstrated that it remains committed to supporting SMEs in Ukraine. Despite the challenges of delivering this support, EU4Business initiatives have continued to deliver support and the number of SMEs supported have grown in 2020 in absolute terms and especially in relation to spending as compared to 2019. As we move forward into the post 2020 policy environment, with ambitious targets of support and impact, EU4Business will continue to respond to the challenges and, in our 2022 annual report, we are confident we will be able to report on more support, stronger growth, and more jobs for SMEs in Ukraine."



EU SUPPORT TO SMES IN UKRAINE LIN 2020

[PORTFOLIO OVERVIEW]

The European Union's support for SMEs in Ukraine grew in 2020 by

+11.8%

2020

€199.21 million

2019

€178.14 million

**EU SUPPORT IS FOCUSING
ON THREE TYPES OF INTERVENTIONS:**



Access to
Finance (A2F)



Business
Development
Services (BDS)



Business
Enabling
Environment
(BEE)

37

Projects provided support
to SMEs in Ukraine in 2020

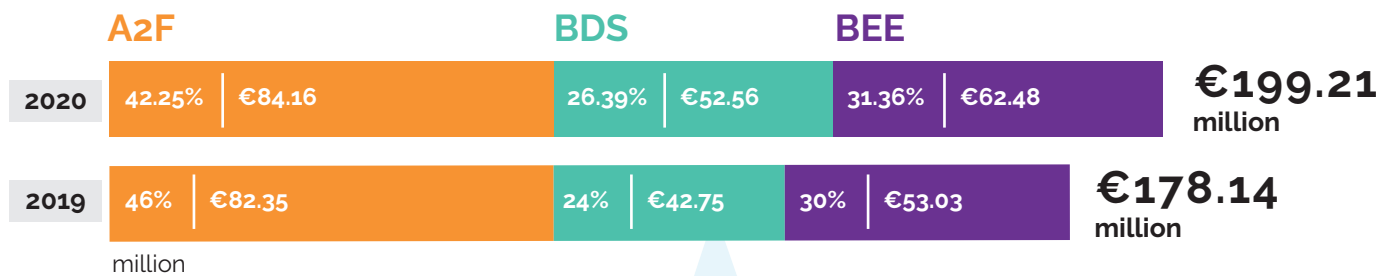
with a total budget of

€199.21
million

→ This is the total value of contracts
being implemented in 2020 rather
than disbursements

[BREAKDOWN]

BY INTERVENTION



Total budgets of projects in Ukraine

€199.21
million

Bilateral Projects

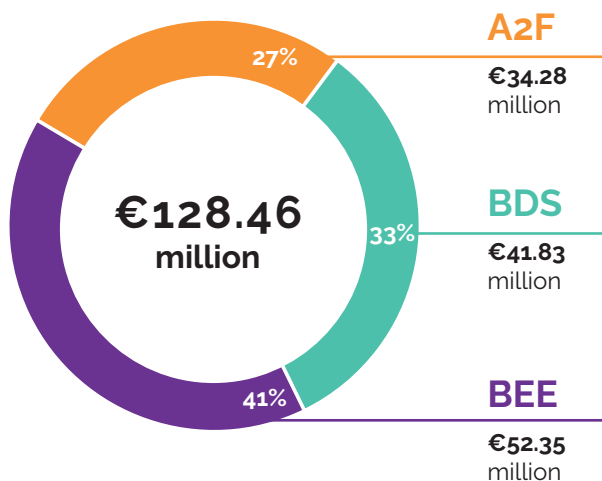
64.5%

of total budget

61% compared with 2019



Breakdown of Bilateral Projects in Ukraine by Intervention in 2020



Regional Projects

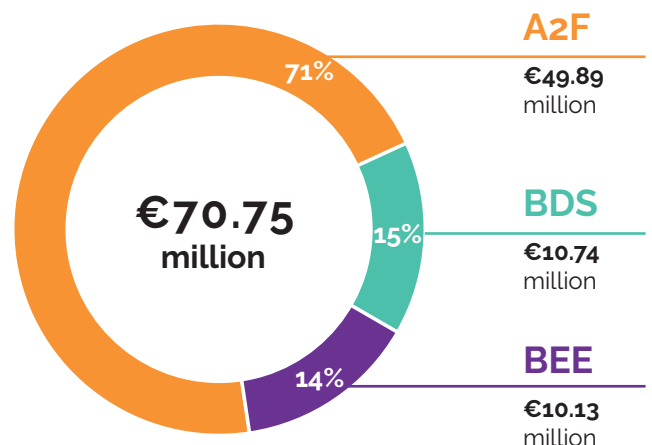
35.5%

of total budget

39% compared with 2019



Breakdown of Regional Projects in Ukraine by Intervention in 2020



OVERVIEW

BY TYPE OF INTERVENTION

ACCESS TO FINANCE (A2F)

A2F remains the largest area of support in Ukraine representing 42.25% of budgets in 2020

A total of
€84.16
million

+2.2%

Compared with 2019

In EU support was allocated to unlock access to finance in Ukraine in 2020

7

support instruments used in Ukraine for A2F are defined below

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 SMEs not repaying part or all of its loan. In this way, the PFIs feel more comfortable and are willing to use the credit lines from IFIs to lend to SMEs. However, the EU grant only partially covers the potential loss that PFIs could claim. The recovery of loss covered by this EU risk sharing instrument is

generally up to 10% of the total loan portfolio of the respective PFI (total value of the loans disbursed by the PFI from the respective credit line of the IFI) and generally up to 50% of each individual sub-loan. This actually 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, with 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 technical assistance to PFIs in the form of consultancy services, mentoring, and specialised training. The main effect of this instrument is that the PFIs (local banks and microfinance institutions) become

more familiar with the modus operandi of the big IFIs, the characteristics of their credit lines, their reporting requirements, as well as the standards regarding financial and risk analysis of the potential borrowers.

* This was the total value of contracts being implemented, not disbursements in 2020.



A5

Currency
Hedging
Subsidy

This instrument is given to IFIs in order to enable them to disburse loans to PFIs (and ultimately to SMEs) in local currency. Traditionally, the IFIs only provide credit lines in euros or dollars. In order to sign credit contracts in national currency, the IFIs need to protect their investment through "currency hedging". This is a currency risk coverage facility provided by specialised agencies (that would cover the cost of currency devaluation, therefore

the IFIs do not lose any money) at a certain cost. Without the EU grant to cover the cost of "currency hedging", the IFIs would add this additional cost in the lending contract with PFIs and the loans for SMEs in local currency would naturally become more expensive. Due to the EU grant, the IFIs and subsequently the PFIs can offer loans in local currency to SMEs at a competitive price.

A6

SME Incentive
Grants
(linked
to loans)

This instrument is different from regular grant schemes as the incentive grants are not given directly to SMEs as a "pure grant". The SME signs 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 or feasibility study

and of the other pre-conditions for the loan disbursement. 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 as is the case for the EBRD DCFTA facility 1 and 2.

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 in order 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 into targeted communities.

A8

Structured
Funds

This instrument is implemented directly by EU participation as opposed to risk-sharing with IFIs. Typically, this involves direct loans or equity investment in a financial instrument or fund. 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).

FROM INDUSTRIAL RUIN TO INDUSTRY LEADER: ARDENZ HEATS ALL OF UKRAINE

Ardenz, a plant producing boilers installed in every Ukrainian city with a population of more than 200,000, recently acquired a new laser machine through OTP Leasing within the EU4Business-EBRD Credit Line. The laser cutter consumes less energy and significantly speeds up processes. 2020 was a record year for the company, with a turnover of about UAH 100 million. In 2021, this is expected to increase by another 20%.

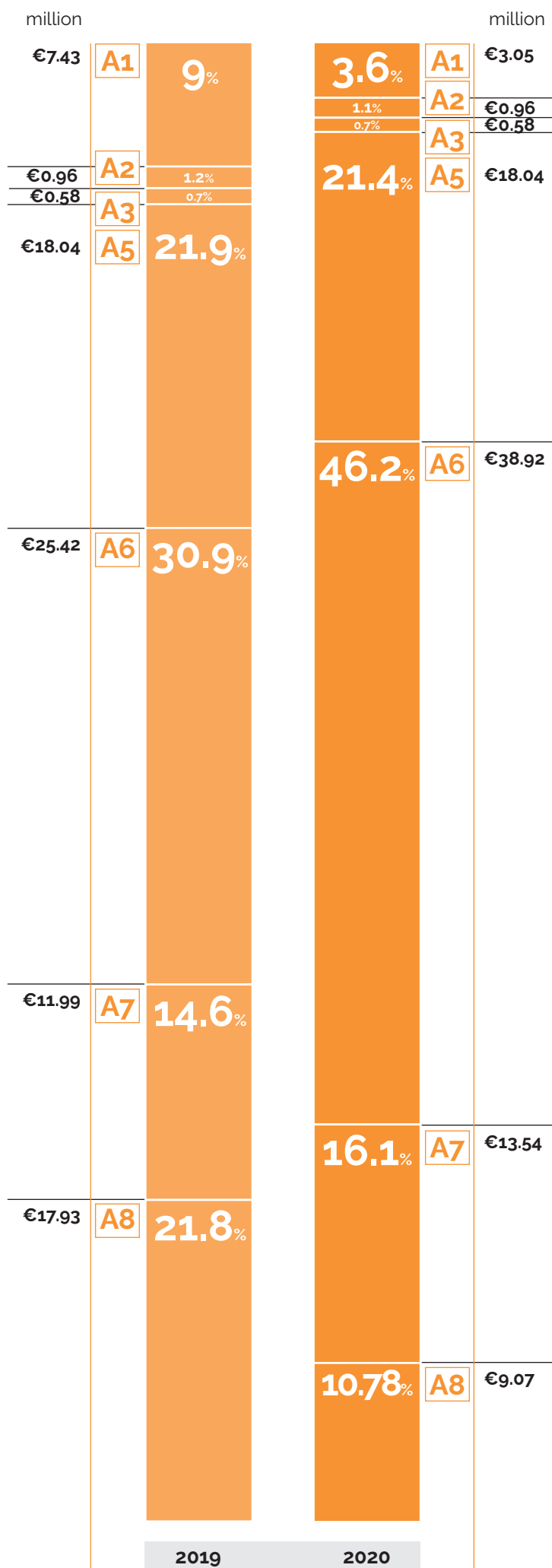
[Read full story](#)



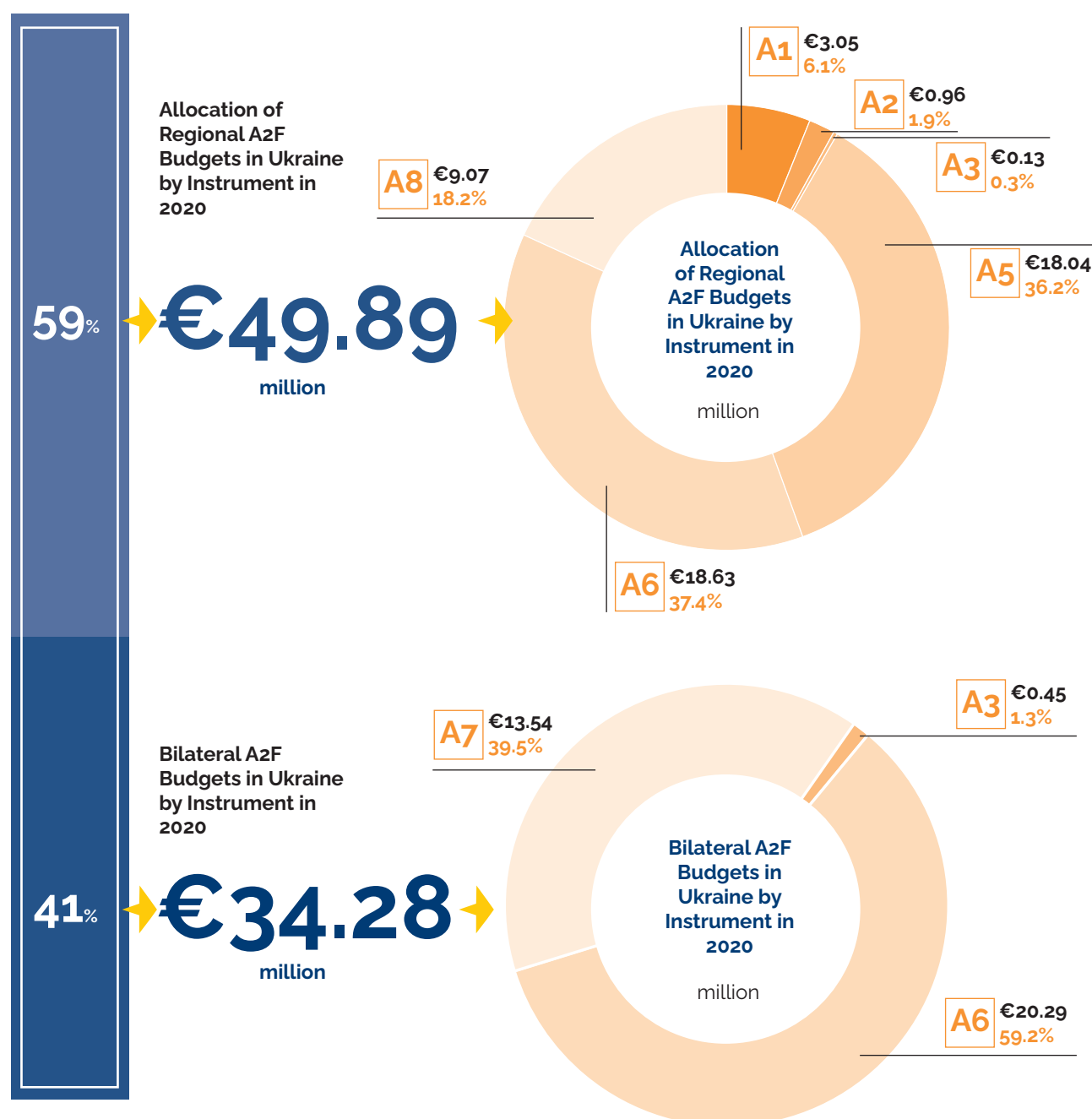
**SUCCESS
STORIES**

ALLOCATION OF A2F BUDGETS IN UKRAINE BY INSTRUMENT

- A1** Capped Loss Recovery
- A2** Interest Subsidy
- A3** TA to PFIs
- A5** Currency Hedging Subsidy
- A6** SME Incentive Grants
(linked to loans)
- A7** Grants to SMEs
- A8** Structured Funds



ALLOCATION OF A2F BUDGETS BY REGIONAL AND BILATERAL INSTRUMENTS



- A1** Capped Loss Recovery
- A2** Interest Subsidy
- A3** TA to PFIs

- A5** Currency Hedging Subsidy
- A6** SME Incentive Grants (linked to loans)
- A7** Grants to SMEs
- A8** Structured Funds

SUCCESS STORIES

MAKING PASSIVE HOUSES IN UKRAINE

An autonomous house that is easy to assemble in a matter of weeks and can be placed anywhere. A building that is independent from the power grid, has its own sewerage, and is equipped with water and air purification systems. An intelligent home that includes an automation system to control appliances and manage energy distribution. Just a decade ago, this seemed like sci-fi, but now it is a product of the Ukrainian start-up Haus.me, which is developing the latest engineering solutions for autonomous houses. Modern houses should be not only safe and comfortable but also resource efficient and low waste. And such solutions have appeared. The Ukrainian team Haus.me is creating engineering systems that bring people closer to their desired freedom without losing their connection with nature. In 2018, the Haus.me team began to cooperate with NGO Greencubator and received a grant after winning the Climate Innovation Vouchers competition as part of the Finance and Technology Transfer Centre for Climate Change (EBRD FINTECC) programme funded by the European Union.

[Read full story](#)

“

At present, there is only one mobile, fully autonomous house in the whole world that functions in any climate and under any circumstances. And this is our project.”

Maksym Herbut,
Founder of Haus.me



BUSINESS DEVELOPMENT

SERVICES (BDS)

BDS remains the third area of support in Ukraine representing 26.4% of budgets in 2020

A total of

€52.56  **+22.95%**
million compared with 2019

In EU support was allocated to provide better business services in Ukraine in 2020



7

support instruments used in Ukraine for BDS are defined below

B1

Consultancy Services for SMEs

Through this instrument, the EU4Business Initiative aims to directly increase the knowledge and skills of SMEs in 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, 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, the Sector Trade Association, training institutes, etc) to deliver BDS services to SMEs (whether members

or not). The capacity building is achieved through mentoring, training trainers, advisory services, and study tours to either enhance existing services, build new ones, or improve organisational structures.

B3

Incubators

The 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.

The EU4Business Incubators Instrument generally shares the cost with the local authorities where

the EU bears the cost of refurbishment and cost-sharing arrangements for the running costs and/or service provision. One of the most important aspects related to this instrument is sustainability. As operation costs are high, the initial financial set-up is crucial for keeping the incubators viable after the EU4Business intervention ends.

B4

Clusters

This instrument involves group support to SMEs involved in the same field of activity but on different positions in the value chain or with common interests. The basis of the clusters approach is the synergy of creating a more

effective value chain within the cluster. The success of the SME cluster is tightly related to the level of value added in the respective field of activity.

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 exporting. This instrument can include generating the necessary information

(brochures, guides, market reports) or developing tools for accessing online resources and intelligent searches and covers market information, marketing guides, and market access requirements.

B6

B2B Activities

Business to Business (B2B) Activities support SMEs to make specific contact with nominally interested buyers (company decision makers in target export markets who regularly buy the export on offer). These can include participation in online buyer auctions, trade fair participation,

inward and outward trade missions, buyer meetings, etc. and EU4Business 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 used at a national or sector level to develop a policy to increase a country's exports. This instrument is typically based on studies, analysis, and stakeholder consultation that assesses national production, market requirements, and export constraints and then, working with government and stakeholders, builds a common sector or national approach

(and action plan) to develop the exports of competitive products in 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.



ALLOCATION OF BDS BUDGETS IN UKRAINE BY INSTRUMENT

B1 Consultancy Services
for SMEs

B2 Capacity Building
of BSOs

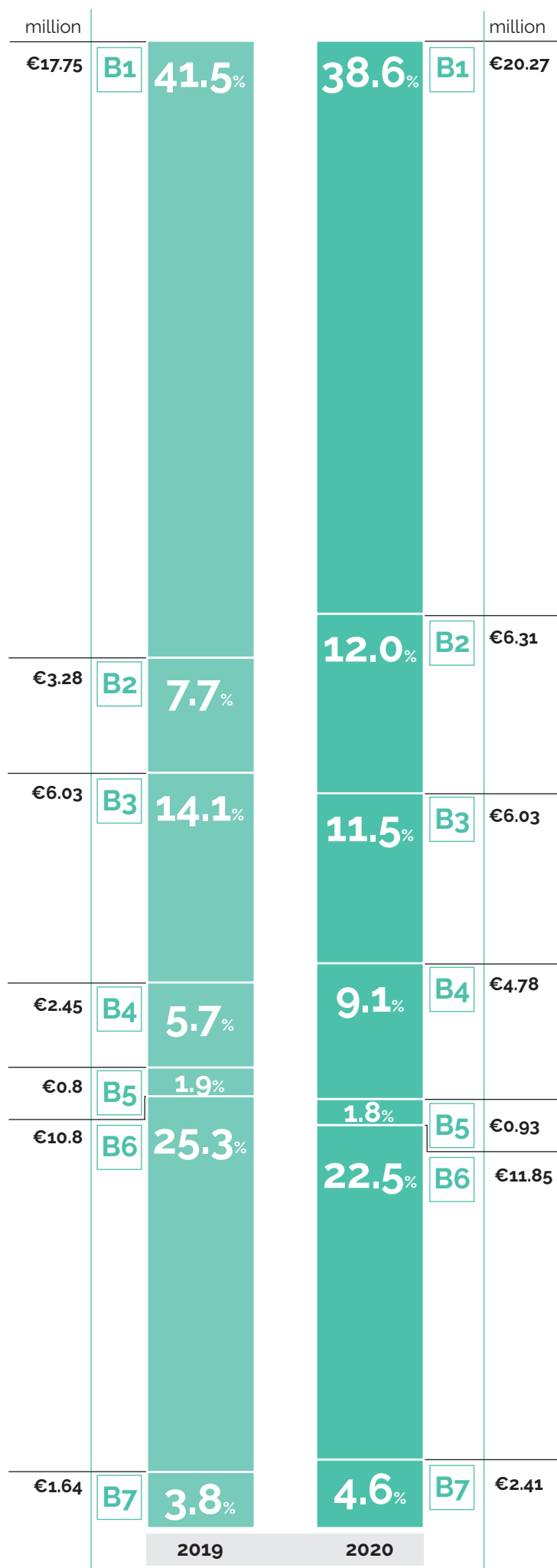
B3 Incubators

B4 Clusters

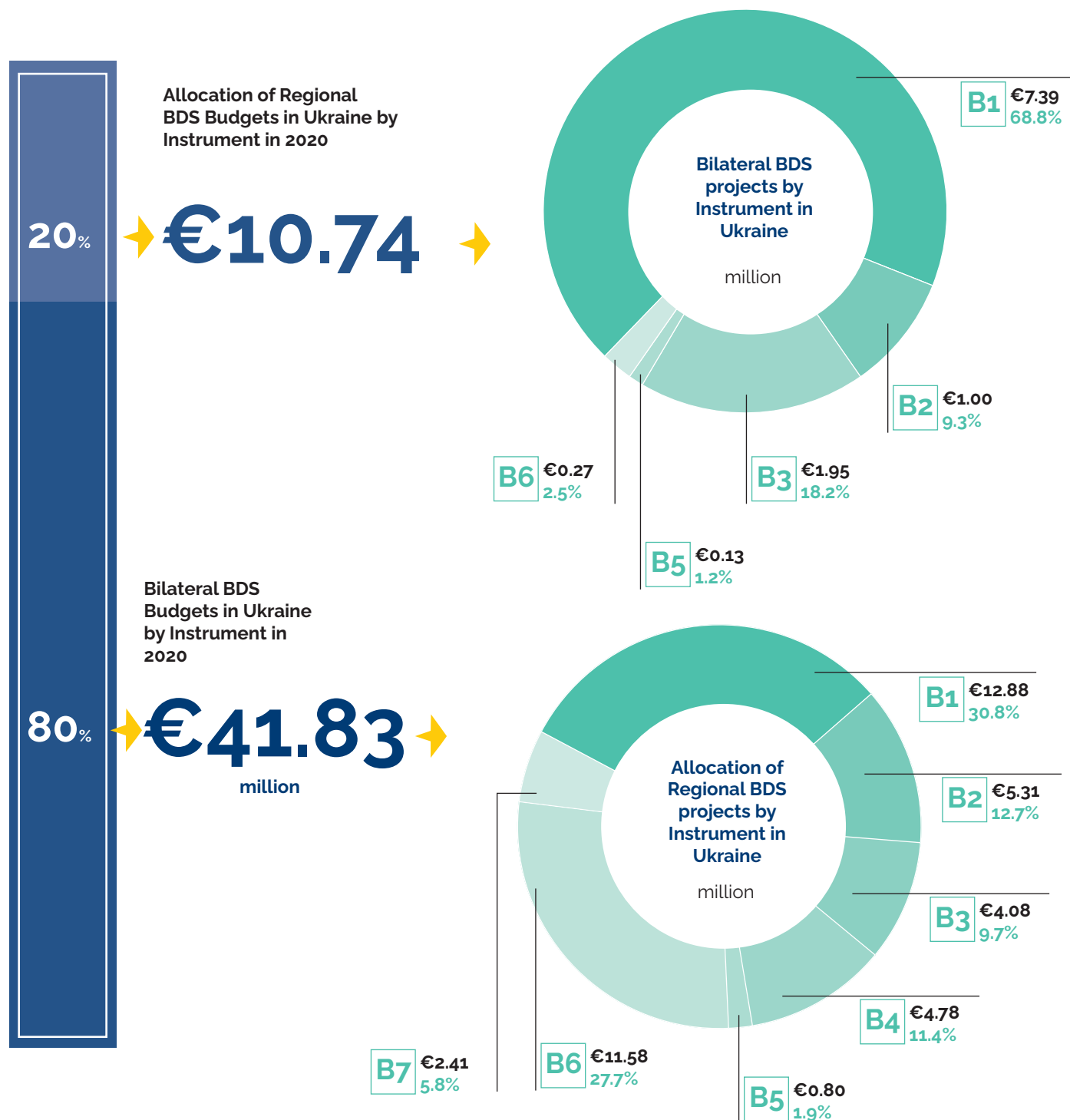
B5 Trade Information

B6 B2B Activities

B7 Export Strategies



ALLOCATION OF BDS BUDGETS BY REGIONAL AND BILATERAL INSTRUMENTS



B1 Consultancy Services for SMEs

B2 Capacity Building of BSOs

B3 Incubators

B4 Clusters

B5 Trade Information

B6 B2B Activities

B7 Export Strategies

THE POWER OF THREE: UKRAINIAN BLUEBERRY GROWERS GO CO-OP

SUCCESS STORIES

With their high content of phyto-nutrients, blueberries are firmly established in the daily menu of many living in developed countries, and now the “blue berry” is confidently winning the favour of Ukrainian consumers. In 10 years, the area under blueberry plantations in Ukraine has grown tenfold, from 200 to 2,000 hectares. Today, world markets are attracting Ukrainian berry growers, but the problem remains that the batches are too small for international orders.

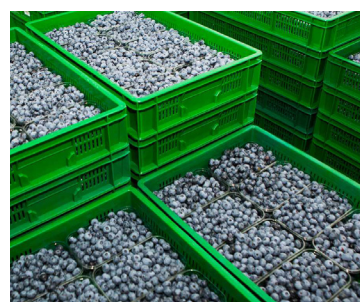
Three farms found a smart solution that was unique for Ukraine. In February 2020, they announced the start-up of the first Ukrainian cooperative of blueberry producers, PAT Big Berry Coop, with the support of EU4Business, implemented by ITC, together with the Ukrainian Berry Association. Currently, the co-op involves a total of 250 hectares, and this year its member companies have exported 38.4 t of berries to the United Arab Emirates.

[Read full story](#)



Our association is based on the friendly relationship that we have developed over several years of contact at the exhibitions and workshops under the Ready to Trade project.”

Olena Vorobyova,
founder of Grass Avenue



BUSINESS ENABLING ENVIRONMENT (BEE)

BEE remains the second largest of area of support in Ukraine representing 31.4% of budgets in 2020

A total of

€62.48

million

In EU support was allocated to improve the business environment in Ukraine in 2020

+17.8%

Compared with 2019



4 support instruments used in Ukraine for BEE are defined below

C1

Capacity Building among Policymakers and Regulators

Through this instrument, 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 six Eastern Partnership countries. This can

include making and amending policies, laws, and administrative procedures based on need and risk assessment. Through this instrument, EU4Business interventions deliver direct advisory, mentoring services, and study tours to the relevant staff involved in policymaking.

C2

PPD (Public Private Dialogue)

Public Private Dialogue 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 best practices and most often approximation (to align their SME related legislations, rules, and regulations with

those of the EU). Approximation occurs in all six Eastern Partnership countries, but it is more intensely applied in the three DCFTA countries, which are committed to widespread adoption of EU business acquis under the Association Agreement (AA).

C4

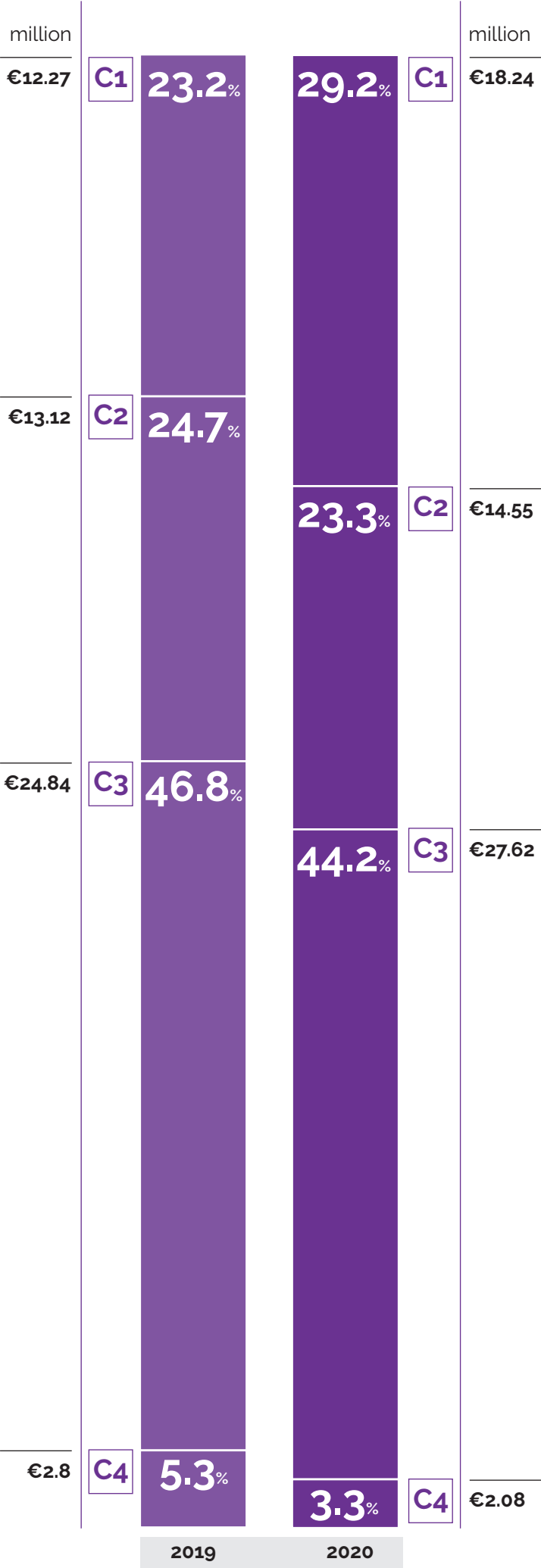
Information and Communication to SMEs

Through this instrument, EU4Business interventions support government to inform SMEs on reforms and implications for their

business and steps to compliance with regulatory reform.

ALLOCATION OF BEE BUDGETS IN UKRAINE BY INSTRUMENT

- C1** Capacity Building among Policymakers and Regulators
- C2** PPD (Public Private Dialogue)
- C3** Regulatory Reform
- C4** Information and Communication to SMEs



ALLOCATION OF BEE BUDGETS IN UKRAINE BY INSTRUMENT



C1 Capacity Building among Policymakers and Regulators

C2 PPD (Public Private Dialogue)

C3 Regulatory Reform

C4 Information and Communication to SMEs

BRDO INITIATIVES SAVED UKRAINIAN BUSINESS UAH 25 BILLION OVER 2015-2020

SUCCESS STORIES

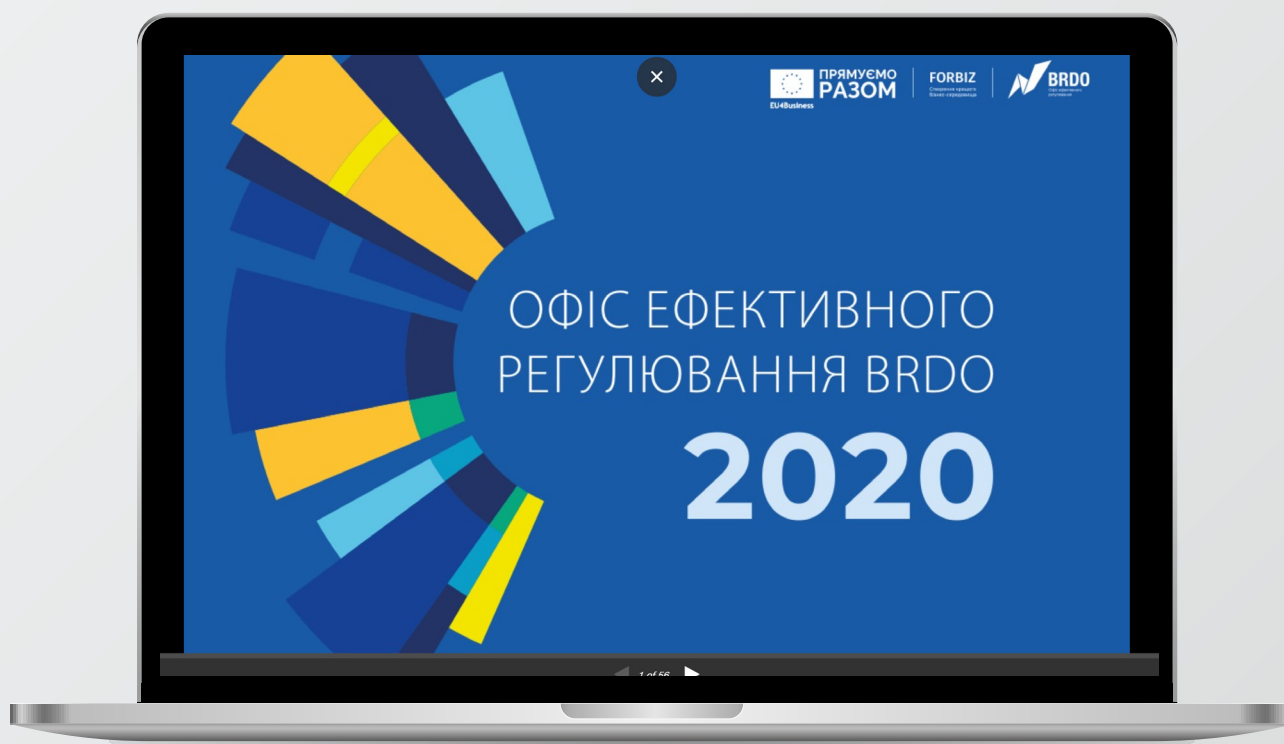
Legislation and digital tools developed with the participation of experts from the Better Regulation Delivery Office (BRDO) over 2015-2020 saved Ukrainian SMEs UAH 25 billion (€765 million) and another UAH 5.5 billion (€167 million) in government spending, according to the BRDO 2020 annual report.

Over 5 years of BRDO activity:

- 166 pieces of legislation drafted and co-drafted by BRDO experts were adopted, 27 of them in 2020, including 10 laws;
- 1,245 regulatory acts that hampered business were repealed, 36 of them in 2020;
- 5 unique online tools were developed for use by SMEs, civil servants, and local government agencies.

In addition, BRDO experts conducted 18 studies on the construction, energy, transport & infrastructure, IT&Telecom, agriculture, and supervision & control sectors. These studies provide a basis for solving problems facing both businesses and individuals.

[Read full story](#)

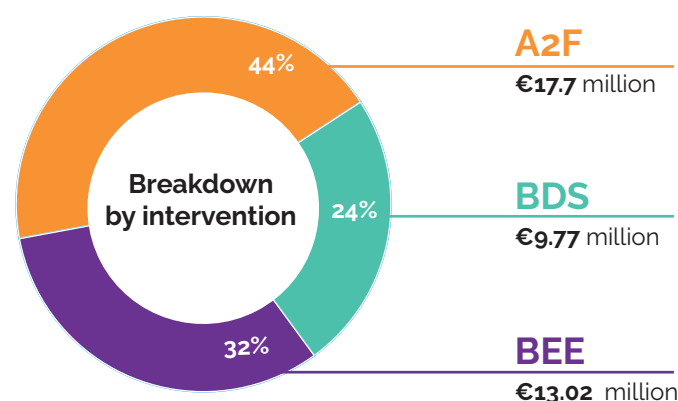
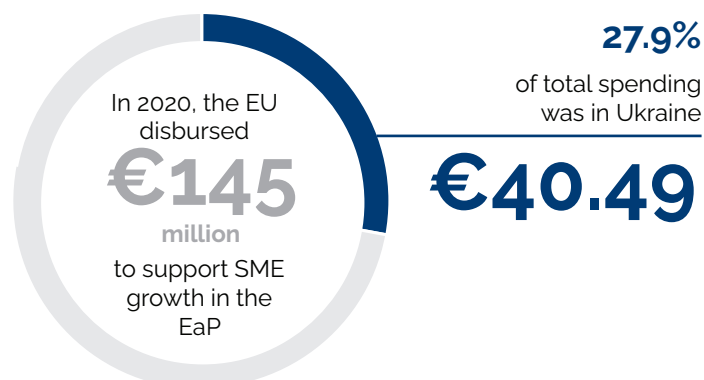




[ACHIEVEMENTS] [IN 2020_____]

[AGGREGATE RESULTS IN UKRAINE IN 2020]

Despite an increase in budgets of 11.8% allocated to SME development in 2020 in Ukraine, due to the challenges of COVID in terms of national lockdowns, restrictions on travel, and restrictions in business and government office operations, the level of disbursement of EU support fell by 15.0% in 2020 from €47.58 million in 2019. Whilst partners adapted to new ways of working so that the maximum number of SMEs were supported at this crucial time, the budgets remain in place to support the build-back process as soon as the situation normalises.



NUMBER OF SMES SUPPORTED



Overall, the EU supported

7,836

SMEs in Ukraine in 2020

Compared with in 2019 **4,287**



+82.79%

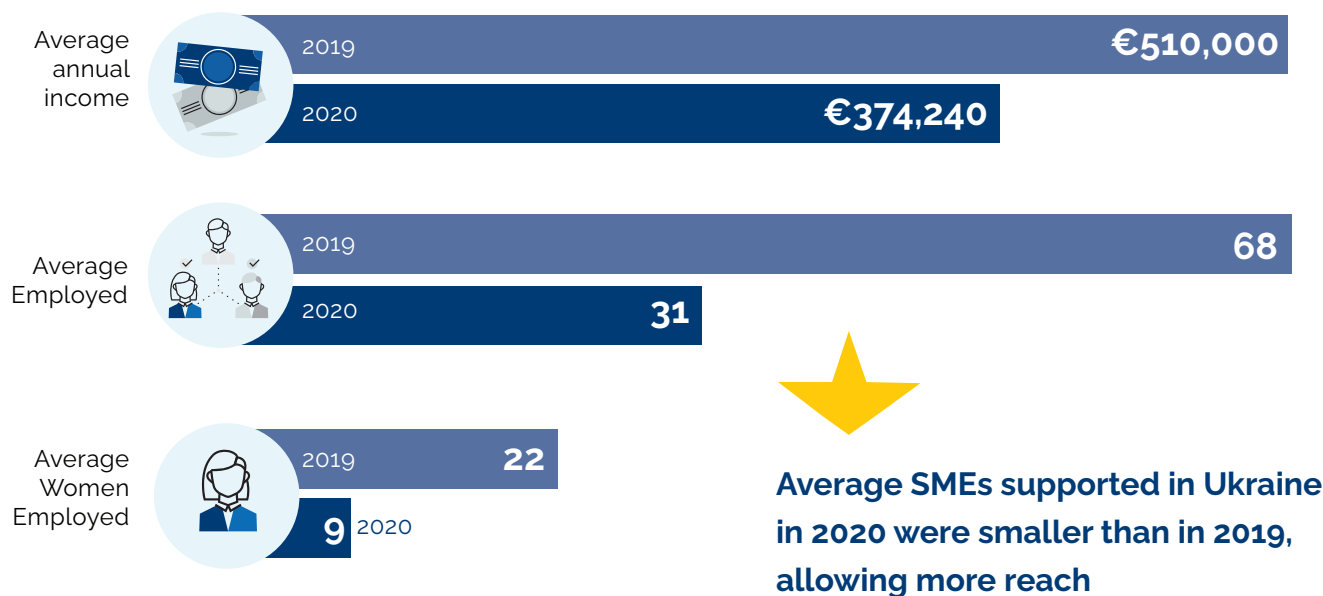
Supported SMEs in Ukraine had

a combined turnover of

€3,770.55
million

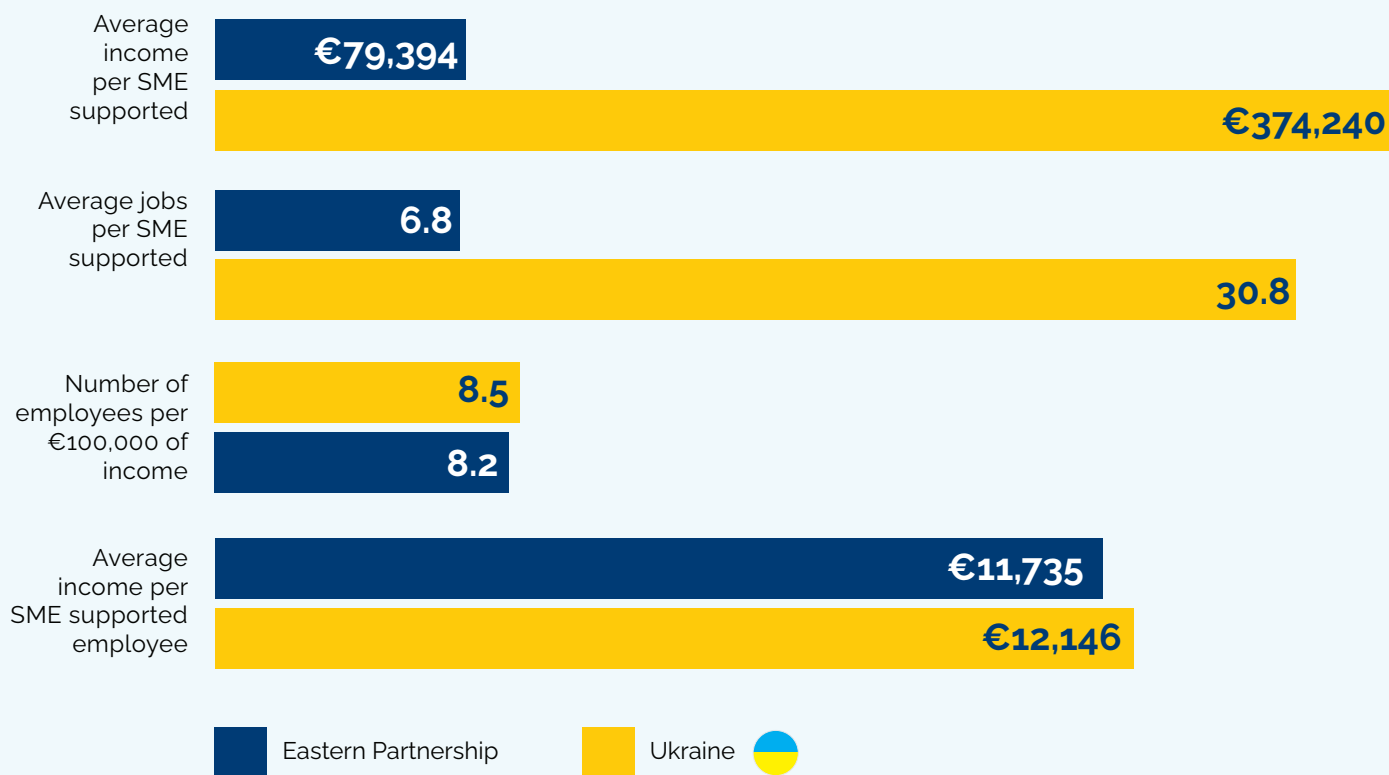
Employed

261,814

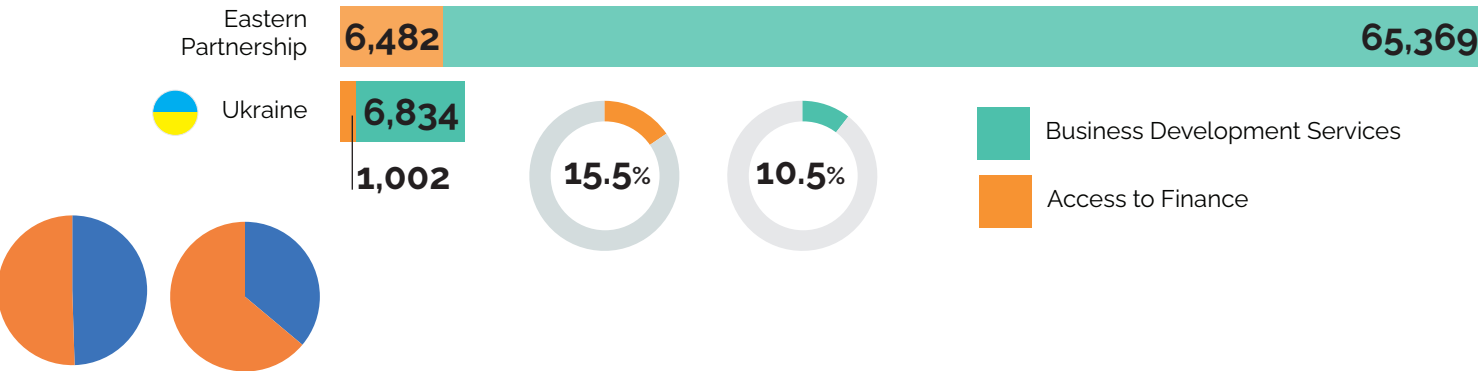


SUPPORT TO SMES IN UKRAINE RELATIVE TO EAP

Whilst the average size of SMEs supported in Ukraine remains much higher than the regional average, the number of supported jobs relative to income is the same and the income per employee (labour intensity) is broadly similar.

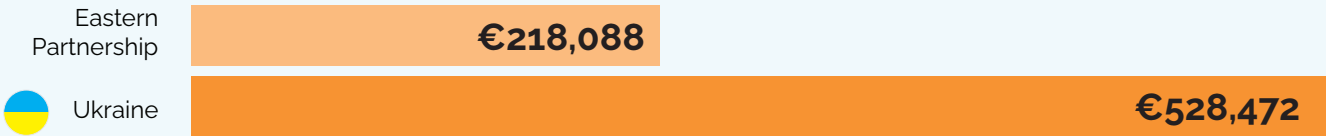


THE NUMBER OF SMES SUPPORTED PER PILLAR UKRAINE VS THE EAP



The average A2F-supported SME

income



employed



The average BDS-supported SME

income



employed



JOB CREATION OF SUPPORTED SMES IN UKRAINE

In 2020, SMEs supported by the EU in Ukraine generated

20,380
jobs



increased staff by

+8.44%

(compared with

+21.3%

in 2019)

compared to the EaP average in 2020 of

+10.38%

BREAKDOWN OF JOB CREATION BY TYPE OF INTERVENTION IN UKRAINE AND EAP

Eastern Partnership

16,045

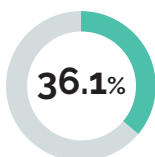
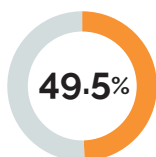
34,421



Ukraine

7,949

12,431

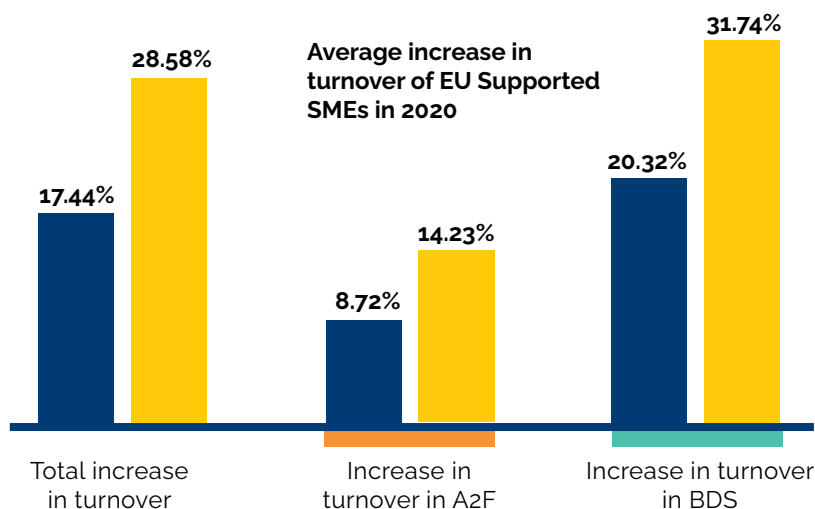


Access to Finance

Business Development Services



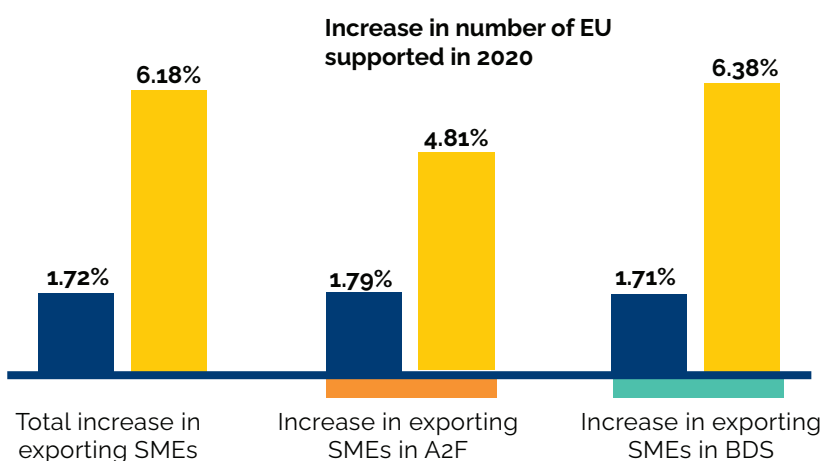
IMPACT OF EU SUPPORT IN UKRAINE



INCREASE IN TURNOVER

EU supported SMEs in Ukraine increased turnover by more than the regional average in 2020

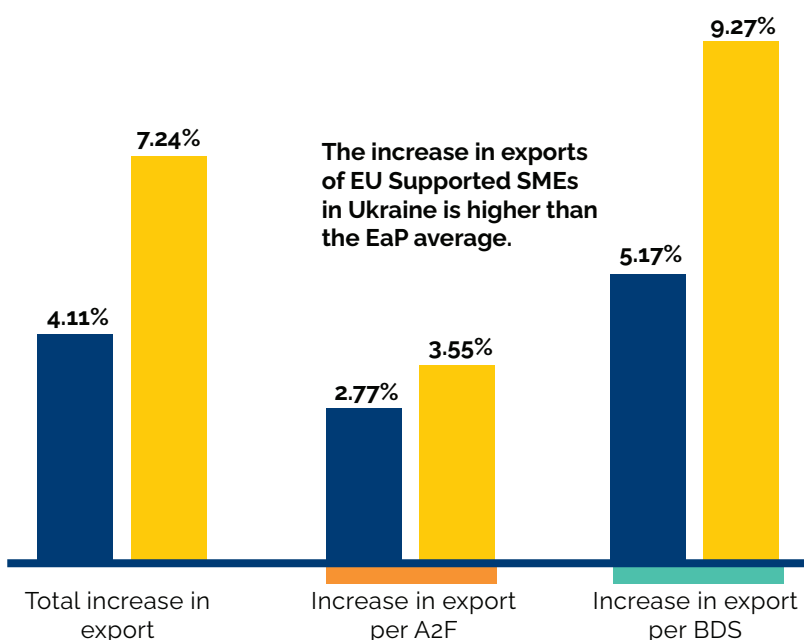
EU supported SMEs in Ukraine increased turnover by more in 2020 than in 2019 (**28.6%** compared with **24.7%**).



INCREASE IN EXPORTING SMES

The number of EU supported SMEs that started exporting in Ukraine in 2020 is much higher than the average across the EAP

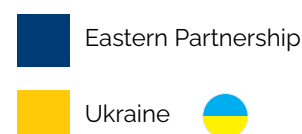
The number of EU supported SMEs that started exporting in Ukraine in 2020 is slightly down on 2019 (**6.2%** compared to **9.1%**).



INCREASE IN EXPORT

The increase in exports of EU Supported SMEs in Ukraine is higher than the EaP average.

The growth of exports of EU Supported SMEs in Ukraine is higher in 2020 than in 2019 (**7.2%** compared with **5.0%**)



SMART WINDOW BLINDS MADE IN UKRAINE

SUCCESS STORIES

Yevhen Erik, an entrepreneur, was looking for more efficient uses of energy for his house and came up with a great solution for millions of other homes in addition. Today, Ukrainian window blinds that generate power from sunlight are in demand around the world. The blinds automatically follow the sun to collect as much of the energy as possible. The collected energy can be used to power any electrical appliances or lighting. Solar blinds are often plugged into the smart home infrastructure by their owners. They can be controlled remotely via an iOS or Android smartphone app, and also support voice or gesture control via Google Home or Amazon Alexa virtual assistants.

The SolarGaps team received a grant of €50,000 as a part of the Climate Innovation Vouchers project, organised by the NGO Greencubator with support from the EBRD and the European Union. This climate voucher helped to develop a B2C version of the blinds as well as to get it certified for a European market. SolarGaps also took part in the EU Research and Innovation programme "Horizon 2020". After four attempts at applying and two presentations in front of the European Commission in Brussels the team managed to win a grant of €1 million. SolarGaps became the first Ukrainian start-up to win the grant.

[Read full story](#)



“

Our objective is to build up the investment potential of Ukraine, to create new workplaces. To prevent people from leaving. If one can work in Ukraine, why not do so?”

Yevhen Erik,
founder of SolarGaps



ACCESS TO FINANCE IN UKRAINE

OVERALL RESULTS OF A2F INTERVENTIONS IN UKRAINE IN 2020 WERE:

compared with 2019

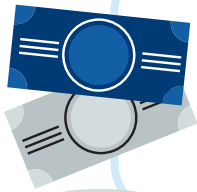


1,002

SMEs supported with
A2F interventions



↓ **-22.6%**



€59.63
million

in loans disbursed



↓ **-63,6%**

€2.4
million

in grants given



↓ **-20%**



7,949

new jobs generated
at SMEs supported
through A2F



↑ **+99%**

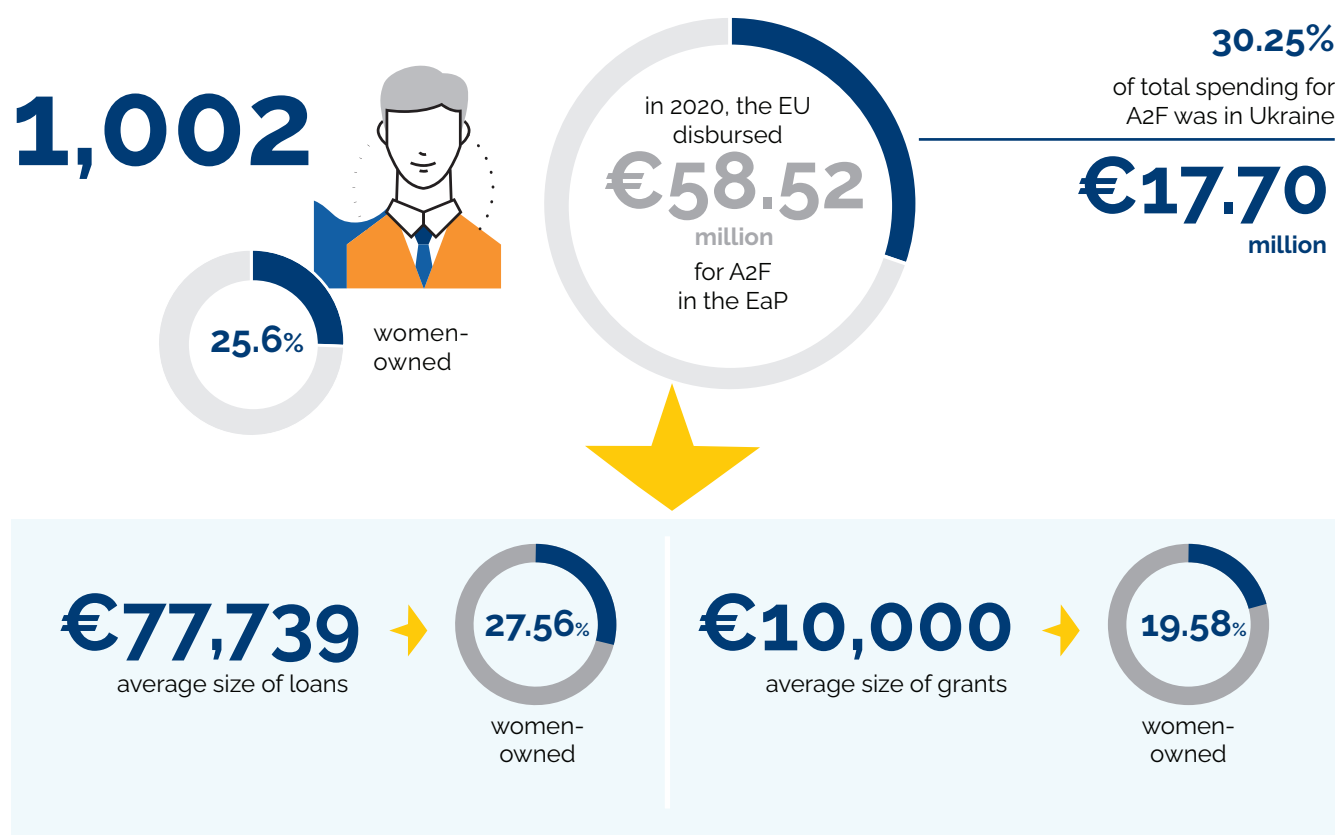
14.23%

increase in income of
supported SMEs



19.72%

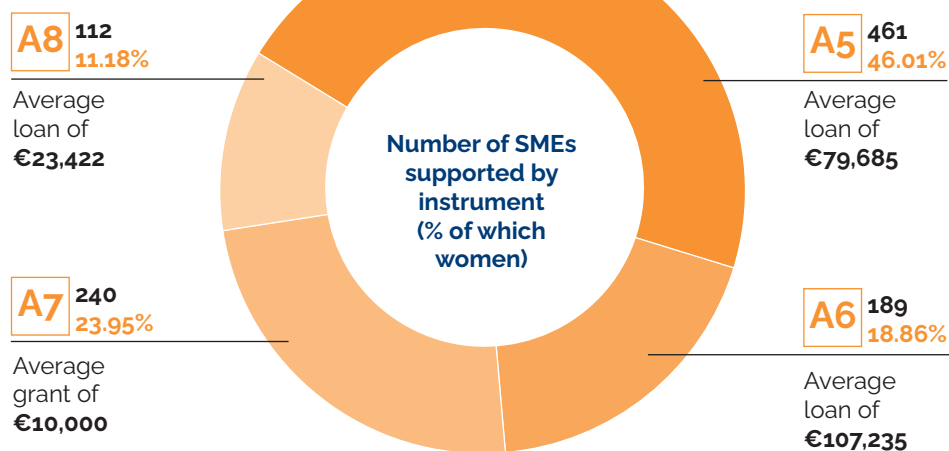
SMES SUPPORTED BY ACCESS TO FINANCE INSTRUMENT



BREAKDOWN OF SMES SUPPORTED PER A2F INSTRUMENT

The EU used four A2F instruments in Ukraine:

lending through SME Incentive grants, structured funds and providing grants



A5 Currency Hedging Subsidy

A7 Grants to SMEs

A6 SME Incentive Grants (linked to loans)

A8 Structured Funds

OVERALL IMPACT OF A2F IN UKRAINE

	2019	2020
Total Value of loans triggered in Ukraine	€163.9 million	€59.63 million
Average total loans triggered across EaP	€83.96 million	€29.17 million
SMEs receiving loans in Ukraine	995	762
Average size of loans in Ukraine	€164,780	€77,739
PfIs supported	12	8
Total value of Grants disbursed in Ukraine	€3 million	€2.4 million
Average total value of grants disbursed across EaP	€1.73 million	€1.6 million
SMEs receiving grants in Ukraine	300	240
Average amount of grant given in Ukraine	€10,000	€10,000

RESULTS PER A2F INSTRUMENT

In terms of loans, **61.6%** were disbursed via currency hedging subsidy, **34%** were disbursed via SME Incentive Grants and **4.4%** were disbursed via Structured funds

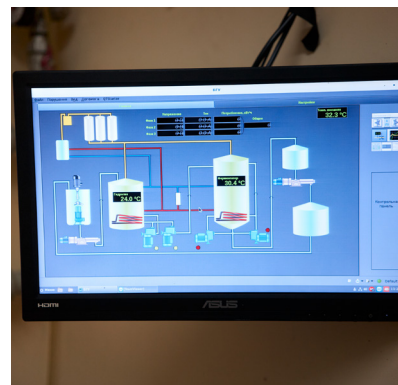
	Number of SMEs supported	Income of SMEs	Jobs in SMEs	Jobs generated	Increase in turnover	% increase in turnover
Total	1,002	€604,894,130	106,005	7,949	€75,365,483	14.23%
A5 Currency Hedging Subsidy	461	€440,100,000	87,849	5,047	€64,769,692	17.26%
A6 SME Incentive grants	189	€96,003,952	7,360	507	€5,434,186	6.00%
A7 Grants to SMEs	240	€7,200,000	280	160	€1,595,665	28.47%
A8 Structured Funds	112	€61,590,178	10,516	2,235	€3,565,940	6.15%

TURNING CHICKEN MANURE INTO FERTILISER AND A SOURCE OF ENERGY

SUCCESS STORIES

Eggs, meat and feathers are traditionally considered to be the most popular products of poultry farming. Both large and small farms produce substantial amounts of waste, and manure in particular. As it happens, manure from waste can be turned into a valuable soil fertiliser as well as a source of green energy. This was proved by a Ukrainian company, Integro-SD, which designed a special biogas plant. The company's innovative technology has allowed them to produce natural fertilisers from chicken manure for almost a decade. In 2019, Integro-SD received a grant as a part of the Climate Innovation Vouchers project, organised by the NGO Greencubator with support from the EBRD and the European Union. This made manufacturing automation possible: now all the processes in the biogas tank can be controlled remotely via a smartphone, and so the key parameters can be monitored and the data collected.

[Read full story](#)



BUSINESS DEVELOPMENT SERVICES

IN UKRAINE

OVERALL RESULTS OF BDS INTERVENTIONS IN UKRAINE IN 2020 WERE:

compared with 2019



6,834

SMEs supported through
BDS interventions



+128.4%



12,431

new jobs generated
at SMEs supported
through BDS



-73.4%

31.7%

increase in income at
supported SMEs



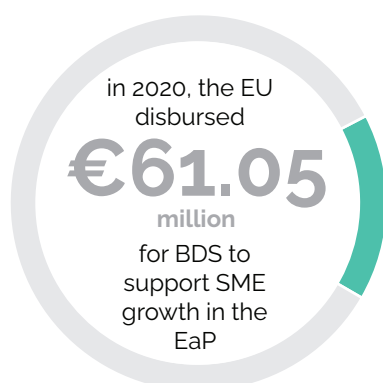
29.7%

73

BSOs capacitated



30



16%

of total spending for
BDS was in Ukraine

€9.77
million



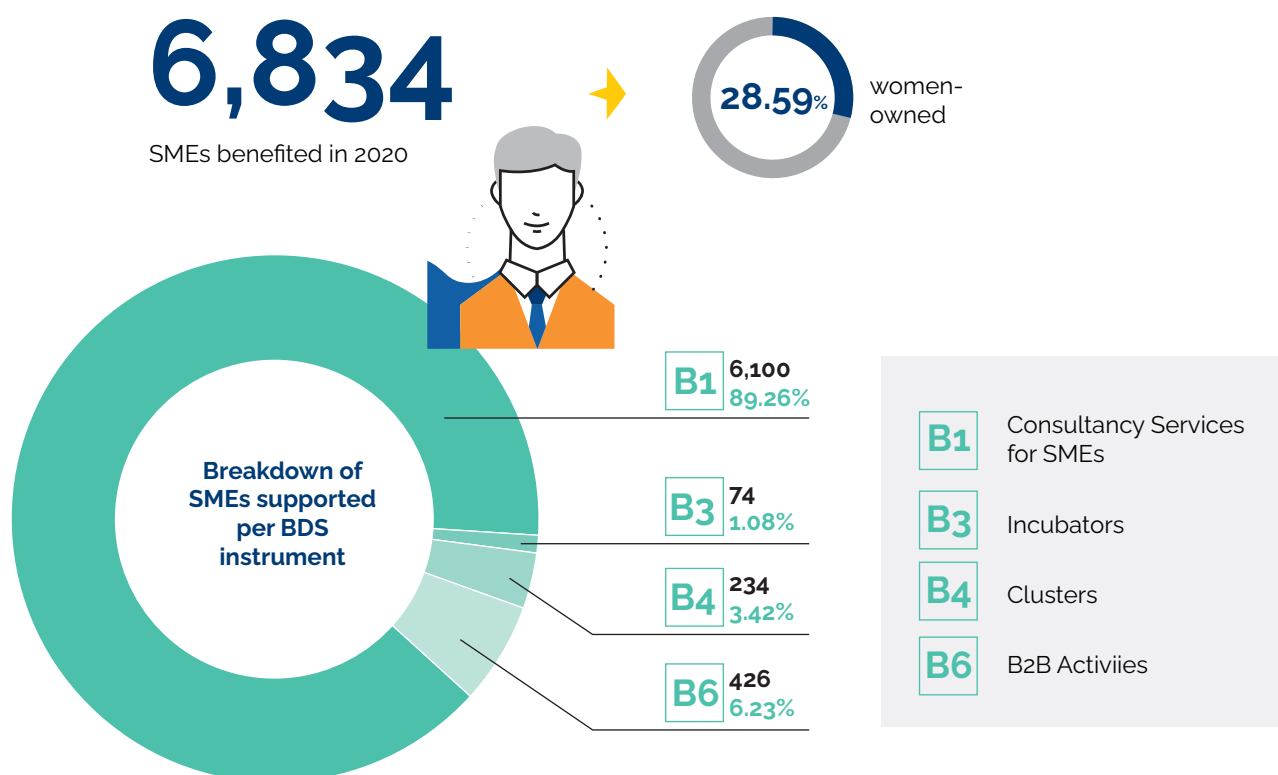
up from

€8.9

million

in 2019

SMES SUPPORTED BY BDS INSTRUMENT



RESULTS BY BDS INSTRUMENTS

	Sustained jobs in Supported SMEs	New jobs created in Supported SMEs	Total incomes of supported SMEs	Income growth	% increase in turnover
Consultancy services for SMEs	114,709	8,706	€1,626,882,329	€188,189,332	+13.08%
Incubators	288	178	€14,350,556	€2,793,504	+24.17%
Clusters	19,134	1,919	€119,924,015	€44,971,506	+60.00%
B2B activities	21,678	1,628	€1,404,500,361	€526,687,635	+60.00%

BUSINESS ENABLING ENVIRONMENT

IN UKRAINE

OVERALL RESULTS OF BEE INTERVENTIONS IN UKRAINE IN 2020 WERE:

compared with 2019



901

laws changes



+121.9%

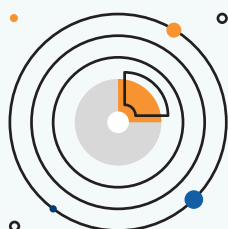


572

Public Private
Dialogue Events



+65.3%



116

regulators/policy makers
strengthened capacity



+78.5%



51.19%

of total spending for
BEE was in Ukraine

€13.02
million



up from

€11.61

million

in 2019

RESULTS OF BEE INSTRUMENTS IN UKRAINE

BEE Support instruments used in Ukraine in 2020 are:



Changing / improving laws and regulations



Public-private dialogue events



Capacity building among government agencies / regulators

Ukraine accounts for a significant amount of the EaP total business enabling environment results

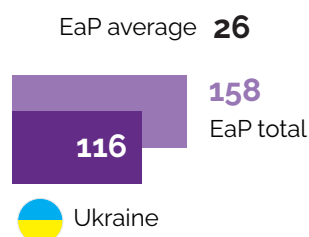
NUMBER OF LAWS / REGULATIONS CHANGED



NUMBER OF PUBLIC PRIVATE DIALOGUE EVENTS



NUMBER OF REGULATORS/GOVERNMENT BENEFITING FROM CAPACITY BUILDING



LIST OF PROJECTS

IN UKRAINE AS OF 2020

Title	Total,Budget*	Start date	End date	Type of the Project	Areas of Intervention		
					A2F	BDS	BEE
EU4Business: SME Competitiveness and Internationalization	€15,500,000	04.11.2020	04.05.2024	Bilateral	●	●	●
Improvement of legislation, control and awareness in food safety, animal health and welfare in Ukraine	€4,267,150	01.09.2019	28.02.2023	Bilateral			●
EU Support to the East of Ukraine	€9,500,000	21.12.2018	20.12.2022	Bilateral	●	●	
EU Support to the East of Ukraine: Recovery, Peacebuilding and Governance	€13,769,743	01.08.2018	31.07.2022	Bilateral	●	●	●
"EU Support to Ukraine to Re-launch the Economy (EU SURE) "EU SURE Technical Assistance Project"	€12,878,276	23.03.2016	21.05.2021	Bilateral		●	●
Support to the development of a Geographical Indications system in Ukraine	€3,448,975	01.09.2017	28.02.2021	Bilateral		●	●
Support to Agricultural and Food Policy Implementation	€5,692,450	01.02.2016	31.12.2020	Bilateral			●
PRAVO-JUSTICE: Support to Justice-related Reforms in Ukraine	€15,000,000	07.12.2016	07.12.2020	Bilateral			●
Strengthening the regulation and supervision of the non-bank financial market	€2,828,000	17.11.2017	16.11.2020	Bilateral			●
Strengthening the Capacity of the Ukrainian National Standardisation Body	€998,582	29.10.2018	28.10.2020	Bilateral			●
Social Entrepreneurship: Achieving Social Change from Bottom Up	€416,441	01.03.2018	31.08.2020	Bilateral		●	●

* Budgets indicated for regional projects apply for 6 EaP countries

Title	Total,Budget	Start date	End date	Type of the Project	Areas of Intervention		
					A2F	BDS	BEE
EU4Business: Network of Business Support Centres in Ukraine	€40,000,000	01.04.2016	31.08.2020	Bilateral	●	●	
Financing Technologies against Climate Change / FINTECC	€4,160,000	23.12.2015	22.06.2020	Bilateral		●	
Grant for the DCFTA Initiative East — Local Currency Solution Programme	€5,300,000	28.12.2018	29.06.2031	Regional	●		
EU4Business EBRD Credit line (EU Deep and Comprehensive Free Trade Area (DCFTA) Facility, EBRD DCFTA Programme)	€38,900,000	21.12.2017	20.12.2027	Regional	●	●	
EU4Business EBRD Credit line (SME Competitiveness Programme in Eastern Partnership)	€65,600,000	19.12.2019	18.12.2026	Regional	●		
EU4Business EBRD Credit line (EU Deep and Comprehensive Free Trade Area (DCFTA) Facility, EBRD DCFTA Programme)	€19,430,000	12.05.2016	11.05.2026	Regional		●	●
DCFTA SME Direct Finance Facility	€10,220,000	01.09.2014	31.08.2024	Regional	●	●	
2018 NIP decision share — Green for Growth — Extension to Neighbourhood East II	€5,162,849	19.12.2018	18.12.2040	Regional	●		
Green for Growth — Extension to Neighbourhood East II	€6,157,151	12.12.2018	18.12.2040	Regional	●		
Promoting Green Lending in the Eastern Partnership	€42,855,000	27.04.2020	16.12.2040	Regional	●		
EU4Business — The EU Local Currency Partnership Initiative: the European Fund for Southeast Europe (EFSE)	€50,320,000	20.12.2018	20.06.2039	Regional	●		
Eastern Partnership SME Finance Facility — Phase II KfW	€5,200,000	01.03.2017	31.12.2032	Regional	●		

Title	Total,Budget*	Start date	End date	Type of the Project	Areas of Intervention		
					A2F	BDS	BEE
Finance and technology transfer centre for climate change (FINTECC) — Eu4Climate window	€15,400,000	16.06.2020	31.12.2027	Regional	●		
Eastern Partnership SME Finance Facility – Phase II EIB	€5,200,000	26.10.2017	25.10.2027	Regional	●		
Eastern Partnership Trade Helpdesk	€3,700,000	01.01.2020	31.01.2024	Regional		●	
Structural Reform Facility: World Bank component	€1,500,000	14.09.2018	30.05.2023	Regional			●
Women in Business	€5,035,000	29.12.2015	28.12.2022	Regional	●	●	
Eastern Partnership SME Finance Facility – Phase II EBRD	€5,200,000	02.12.2016	01.12.2022	Regional	●		
EU4BUSINESS: Connecting Companies	€6,498,205	01.01.2020	31.01.2022	Regional		●	
EU-EBRD Country-specific Investment Climate Reviews and Action Plans for Eastern partnership (EaP) countries.	€2,000,000	16.08.2018	22.04.2021	Regional			●
Mayors for Economic Growth	€4,979,800	01.01.2017	31.12.2020	Regional		●	●
Mayors for Economic Growth 2 TA	€10,000,000	01.01.2017	31.12.2020	Regional		●	●
Financial Sector Institution Building and Crisis Response	€12,000,000	01.06.2009	31.12.2020	Regional		●	
WBG technical support to the implementation of the Mayors for Economic Growth initiative	€500,000	03.10.2016	16.12.2020	Regional		●	●
EU4Business: From Policies to Action	€4,000,000	08.12.2017	31.08.2020	Regional			●
Eastern Partnership: Ready to Trade — an EU4Business initiative	€6,000,000	01.09.2017	31.08.2020	Regional			●

