

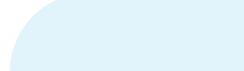
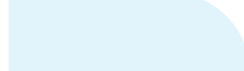
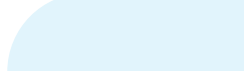
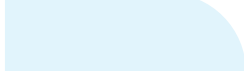
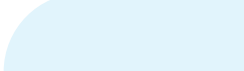
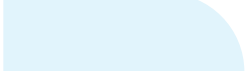
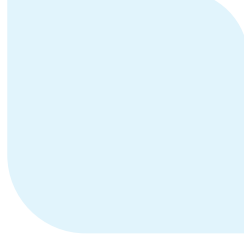
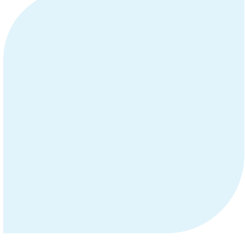
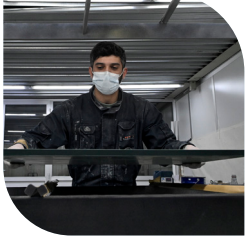
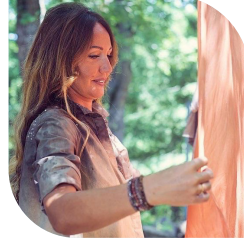
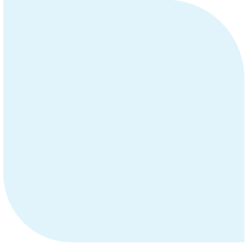
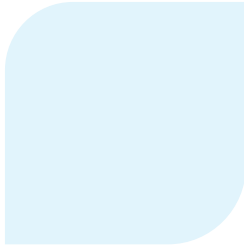
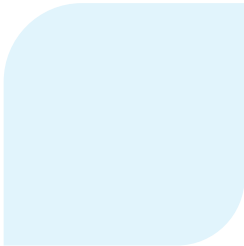


# Annual Report



2023





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# Foreword



**Olivér Várhelyi**

Member of the European Commission, European Neighbourhood and Enlargement

Last year was yet again challenging for most societies and economies of the Eastern Partner countries covered in this report – Armenia, Azerbaijan, Georgia, Moldova, and Ukraine. As these countries slowly recovered from the impact of the pandemic, many of their companies had difficulties adapting to the outbreak of Russia’s war of aggression against Ukraine – resulting in negative economic consequences mainly due to the high energy prices, market uncertainty, and forced displacement of a large number of people and businesses. Despite all these – and as this report shows – the **small and medium-sized enterprises (SMEs)** supported by the European Union showed greater resilience. They performed well above the average economic growth of our partners’ economies, thus mitigating the impact of the external shocks on the economy.

In 2022, the **EU supported more than 78,000 SMEs** through 110 bilateral and regional projects by providing easier access to finance, technical expertise, and business consulting services. This support allowed for the creation of 83,000 new jobs and the sustainability of over 600,000 existing positions across the region. Over 40% of EU-supported SMEs were owned or managed by women, demonstrating the EU’s continuous commitment to women’s economic empowerment and gender mainstreaming. The turnover of EU-backed SMEs has increased by an average of 20%, and the number of SMEs engaged in export activities has increased by almost 12%.

The positive performance of SMEs in the Eastern Partnership (EaP) region also confirms that **the Economic and Investment Plan for the Eastern Neighbourhood** is delivering on its promises. This Plan, launched in 2021, aims to leverage up to EUR 17 million in public and private investments across the EaP region. The Plan is to strengthen the resilience of our partners’ economies through building stronger connections between them and the European Union. Moreover, we intend to support 500,000 SMEs in the region by 2027.

Within the Economic and Investment Plan, **EU4Business** is an umbrella initiative encompassing all EU projects in support of SMEs’ central economic role in the Eastern Partnership countries. In particular, it supports SMEs growth by improving access to finance, offering top-notch business development services, and promoting better business regulation.

We are pleased that the EU support has been instrumental in helping the private sector in our partner countries adapt and overcome the major challenges in 2022. The EU will continue to work closely with its partner financial institutions and step up its support to the economic recovery of the countries in the region.



# INTRODUCTION

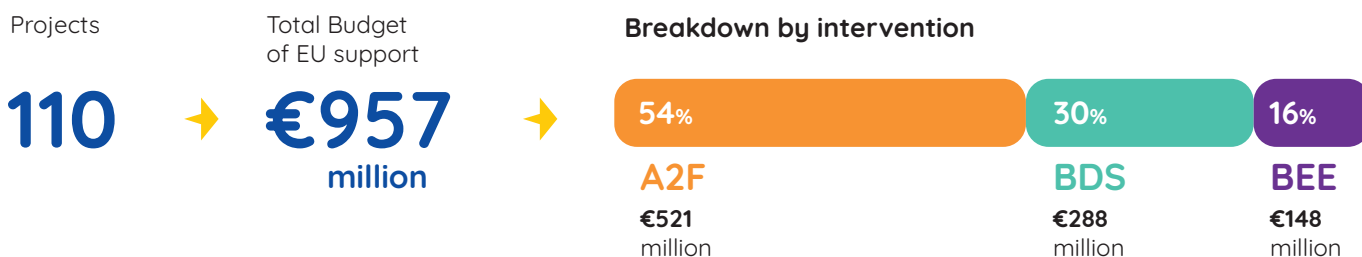
# Executive Summary

## 2022 At a Glance

The 2022 EU4Business Annual Report shows how the EU, its partners and SMEs in the Eastern Partnership\* region were able to recover from the impact of the COVID-19 pandemic, but then faced new crises - the full-scale Russian invasion of Ukraine, and the war between Armenia and Azerbaijan over Nagorno-Karabakh. In spite of these new sources of volatility, the number of SMEs supported remained stable, over 83,000 new jobs were created, and the EU-supported businesses saw increases in turnover and exports.

### Portfolio\*

\* total budget of active projects in the 5 Eastern Partnership countries, 2022



### Results in Figures\*\*

\*\* data for the 5 Eastern Partnership countries, 2022



↑ **+14%** increase in staff among EU-supported SMEs

↑ **2,782** EU-supported SMEs engaged in exporting

↑ **+20%** growth in SMEs' turnover recorded

↑ **+12%** increase in exports among EU-supported SMEs

\* In line with the Council Conclusions of 12 October 2020 and in light of Belarus's involvement in the Russian military aggression against Ukraine, recognised in the European Council Conclusions of February 2022, the EU has stopped engaging with representatives of Belarus public bodies and state-owned enterprises. Should there be a change of the context this may be reconsidered. In the meantime, the EU continues to engage with and, where possible, has stepped up support to non-state, local and regional actors. Therefore Belarus is not covered in this report.

# What support does the EU provide to SMEs?

## 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

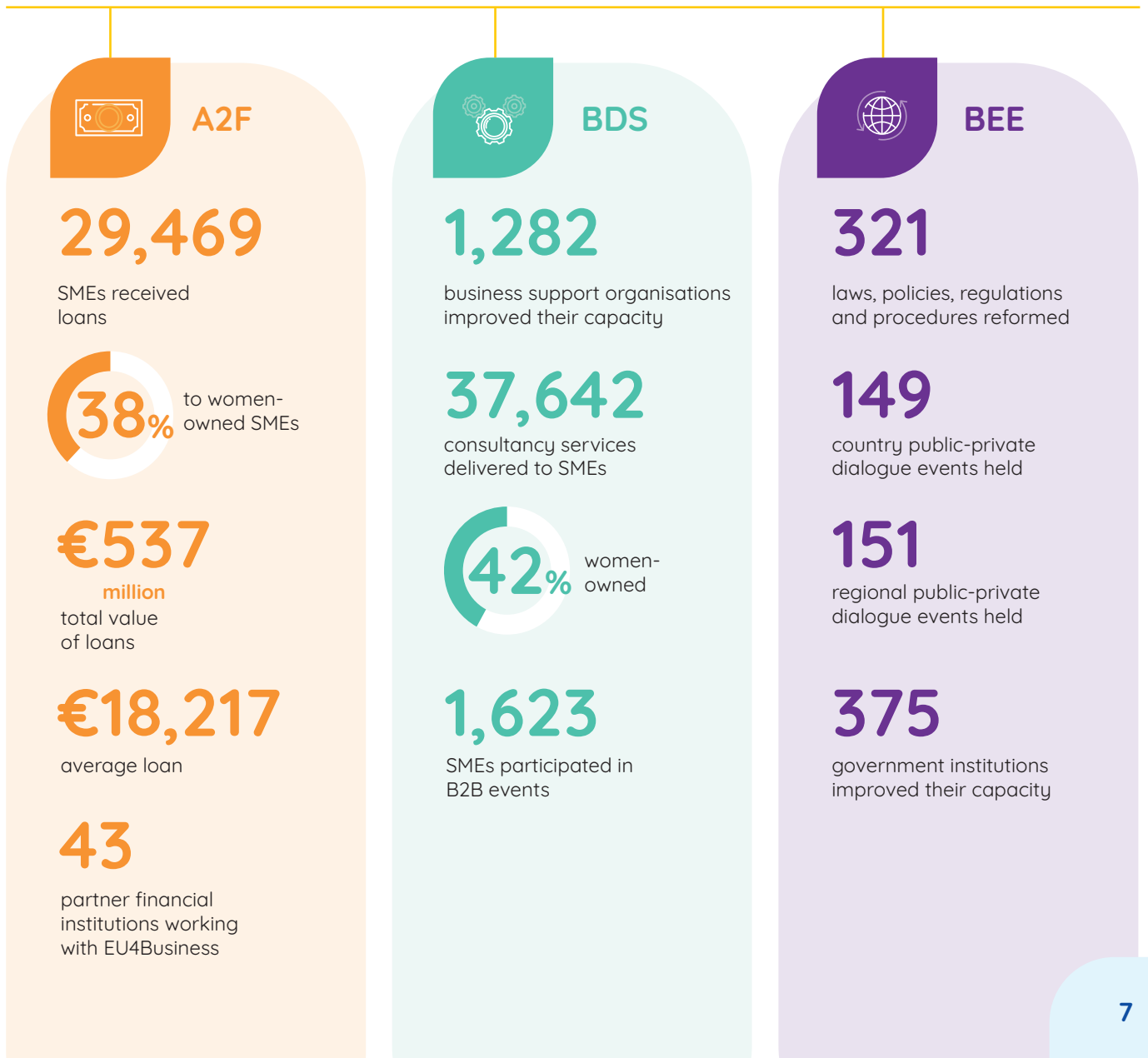
## Business Development Services (BDS):

- 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

## Results per Pillar



# Impact of EU Support

For every  
million euro of  
EU support

→ **622**  
SMEs  
benefited

→ **665**  
new jobs were  
generated

→ **20.20** million  
increase in income



## Stephen Tupper

Team Leader,  
EU4Business  
Facility

The EU4Business Initiative has demonstrated the value of the support provided by the EU to SMEs in the Eastern Partnership, in spite of the challenges caused by the recovery from the COVID-19 pandemic and the two conflicts in the region. The measures taken as part of this support continue to generate new business and jobs, while serving to protect SMEs against some of the fallout from the pandemic, Russia's war of aggression against Ukraine, and the Nagorno-Karabakh conflict. Demonstrating flexibility and a demand-driven, evidence-based approach, the EU continues to play a lead role in supporting the private sector in the Eastern Partnership countries.



# Partners

All EU support for SMEs is provided through organisations that operate as partners, working closely with the EU and the EU4Business Facility team. Altogether, 84 partners are currently implementing EU4Business projects and programmes, among them various international organisations such as the EBRD, EIB, KfW, OECD, World Bank, ITC and UNDP, as well as international consultancies, governments and government agencies, and NGOs.

## Member State Governments and Agencies



## International Organizations



## EaP Government Agencies and NGOs



## International Consultancies and private sector



## International NGOs



# Focal Point

The EU4Business Facility monitors and analyses the impact of the EU's private-sector support actions in the EaP under its EU4Business Initiative in order to maximise its visibility. Phase 3 of the EU4Business Facility (2023-2027) is implemented by a consortium led by GOPA Worldwide Consultants. The EU4Business Facility is funded by the European Union.

## What we do



Collect and assess data on the impact of EU4Business activities.



Coordinate approaches to communication and branding.



Consolidate data on achievements under EU4Business.



Communicate and maximise outreach of the Initiative.



Prepare and publish reports with figures.

## What we don't do



Provide financial support.



Take over the role of the government or business support organizations in engaging with SMEs.



Consult with SMEs directly.

## The EU4Business Facility Team



**Stephen Tupper**  
Team Leader



**Joshua Badach**  
Key SME  
Development Expert



**Atena Duicu**  
Senior International  
Expert in Data and  
Monitoring



**Olga Seleznova**  
Head of  
Communications



**Anton Zubenko**  
Data Specialist

### Country SME development experts



**Sevak Hovhannisyan**  
(Armenia)



**Gulnara Mammadova**  
(Azerbaijan)



**David Okropiridze**  
(Georgia)



**Anatolie Palade**  
(Moldova)



**Olha Krasovska**  
(Ukraine)

### Country communication experts



**Aghavni  
Harutyunyan**  
(Armenia)



**Esmira Aliyeva**  
(Azerbaijan)



**Nino Abdaladze**  
(Georgia)



**Mihaela Babara**  
(Moldova)



**Yuriy Pavlov**  
(Ukraine)

# The EU4Business Initiative: Policy Background and the 2022 State of Play

The EU4Business initiative started in 2009 under the name of ‘SME Flagship’, including only regional programmes at the time. With the addition of bilateral assistance projects, the initiative was rebranded into ‘EU4Business’ and then became the EU4Business Initiative, with the EU4Business Facility being a project that analyses and reports on the results of the constituent programmes, measuring the benefits that accrue to the SMEs from the funding provided by the EU.

The resulting Joint Communication “Eastern Partnership Policy beyond 2020: Reinforcing Resilience – an Eastern Partnership that delivers for all” (March 2020) and Council Conclusions of May 2020 set out a new vision for the partnership. This communication underpinned the Economic Investment Plan (EIP) for the Eastern Partnership that commenced in 2021. This envisaged a budget contribution from the EU of €2.3 billion which could be used to leverage up to €17 billion in public and private investments.


## The EIP has the following objectives:

<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>
Enhanced transport connectivity.	Access to finance for Small and Medium Sized Enterprises.	Investments in equity to strengthen competitiveness and integration into EU value chains.	Support to the digital transition.	Investment in environment and climate resilience, including energy efficiency.	Health resilience and human capital development.

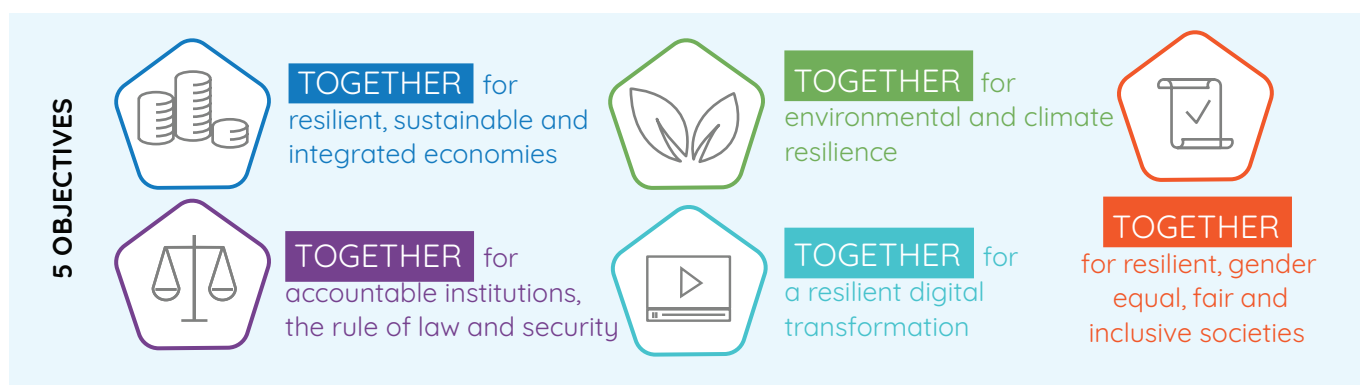
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The EU4Business Initiative projects and programmes directly contribute to objectives 2 and 3, with support also to 4 and 6 and a possible positive impact to objective 5, where green business is involved.

## In partnership with international financial institutions (IFIs): the EU and its member states EIP related measures will, among others:

	Provide at least €1 billion of local currency financing for SMEs;		Invest €500 million of equity to help SMEs;
	Support 500 000 SMEs (20% of all SMEs in the region);		Create quality jobs;
	Develop a specific programme for women in business.		Support structural reforms.

## Recovery, resilience and reform: post-2020 Eastern Partnership Priorities



### INVESTMENT

To support post-COVID 19 socio-economic recovery and build back better through accelerating the green and digital transition in the partner countries. This includes an **Economic and Investment Plan** with country-specific flagship initiatives.

### 2 PILLARS

### GOVERNANCE

Investing in **reforms** and **respect for shared fundamental values** are at the core of our partnership. This includes support for democracy, human rights, rule of law reforms, support for the fight against corruption, gender equality, support to civil society and independent media.

**As this report shows, by the end of 2022, support from the EU's key programme for support to SMEs, the EU4Business Initiative, was making a solid contribution to achievement of these goals.**

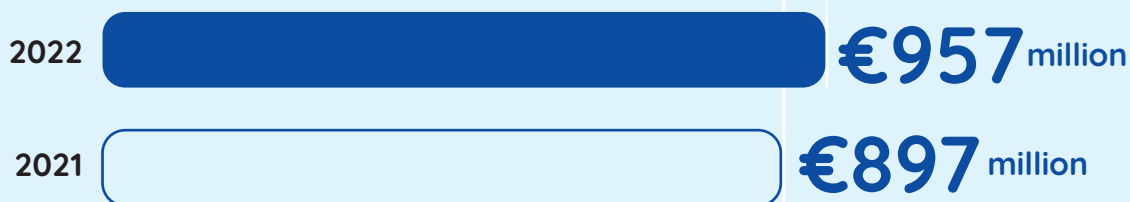
- €537 million of loans had been triggered, including the start of loans in local currency. A series of instruments to facilitate financing was in place, reducing risks for the IFIs and the cost of borrowing for SMEs, whilst at the same time enhancing the capacity of PFIs acting as intermediaries between the IFIs and the SMEs.
- On average, just under 80,000 SMEs per year are being supported by the EU in the currently five countries who are partners for the initiative.
- Actions are gender sensitive, with just over 40% of the supported SMEs owned or managed by women.
- Equity contributions have begun, starting with Armenia, but in addition, many SMEs receive grants, rather than loans, for their development.
- Some 80,000 new jobs are created each year: allowing for turnover, there are more than 600,000 retained jobs in supported SMEs at the end of 2022.
- Structural reforms are being implemented in terms of a better policy and regulatory environment, based on enhancement of capacity of the state regulatory bodies. Furthermore, reforms are more sensitive to SME needs as a result of the extensive activities in the field of public-private dialogue.

The overall value of the EU4Business Initiative is readily demonstrated by the turnover/income of supported SMEs. At the end of 2022, this had reached over €15 billion, with the increase in turnover attributable to actions undertaken in 2022 alone being €2.5 billion. These results are not unusual: as a sustainable process, EU4Business continues to bring growth opportunities to the SMEs of the EaP region.

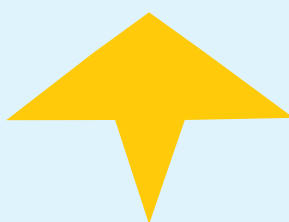
# EU SUPPORT TO SMEs IN 2022

European Union's support for SMEs in the Eastern Partnership grew in 2022 by

**+7%**

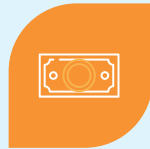


Across the five Eastern Partnership countries



**Photo:** Better Regulation Delivery Office project, Ukraine

EU support is focusing on three types of interventions:



Access to Finance (A2F)



Business Development Services (BDS)



Business Enabling Environment (BEE)

110

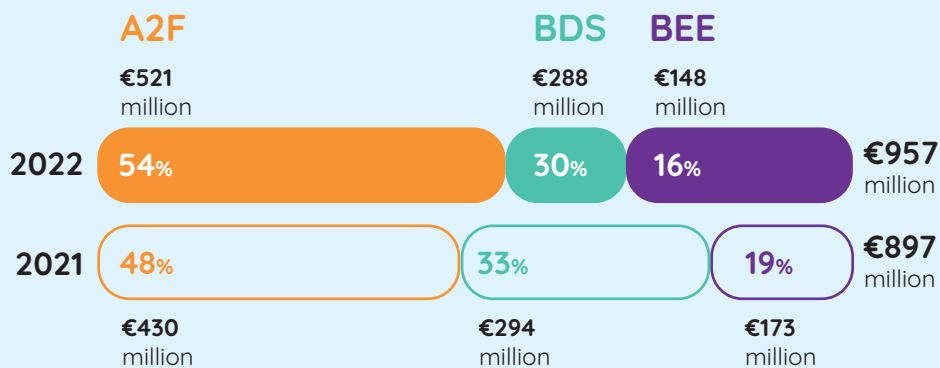
projects provided support to SMEs in 2022

with a total budget of almost

€957 million\*

\* This is the total value of contracts being implemented, not disbursements in 2022.

## Breakdown by intervention



Access to Finance accounted for €521 million in 2022, this being over half of the total funding in 2022 (54%). A further 30% went to improving business development services, and the remaining 16% to improving the business environment.

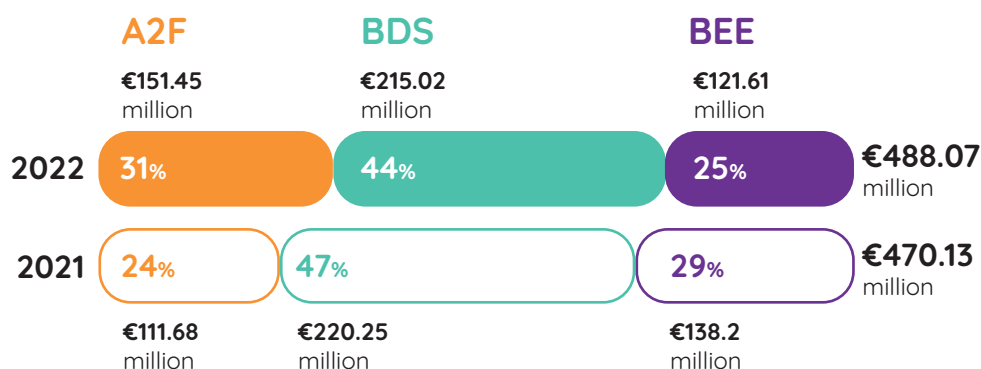
# Breakdown by bilateral/ regional projects

Bilateral projects accounted for 51% of the budget in 2022, with regional projects correspondingly 49%. The bilaterals were a slightly smaller proportion than in 2021 (52%) and smaller again than in 2020 (55%).

## Breakdown of Active Bilateral Projects by Intervention in 2022

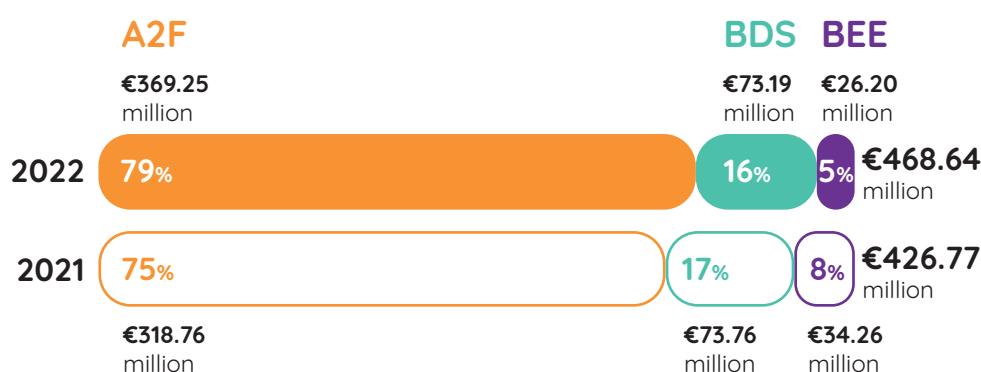
\* Bilateral projects are those managed by EUDs that come from EU country programmes, whereas regional projects are managed from the EU HQs in Brussels and come from EU regional funds.

Regional projects involve more than one partner country.



Bilaterals broke down by intervention in 2022 between A2F 31% (compared to 24% in 2021), BDS 44% (47% in 2021) and BEE 25% (29% in 2021). Thus there was greater concentration on A2F in 2022, at the expense of the other interventions.

## Breakdown of Regional Projects by Intervention in 2022



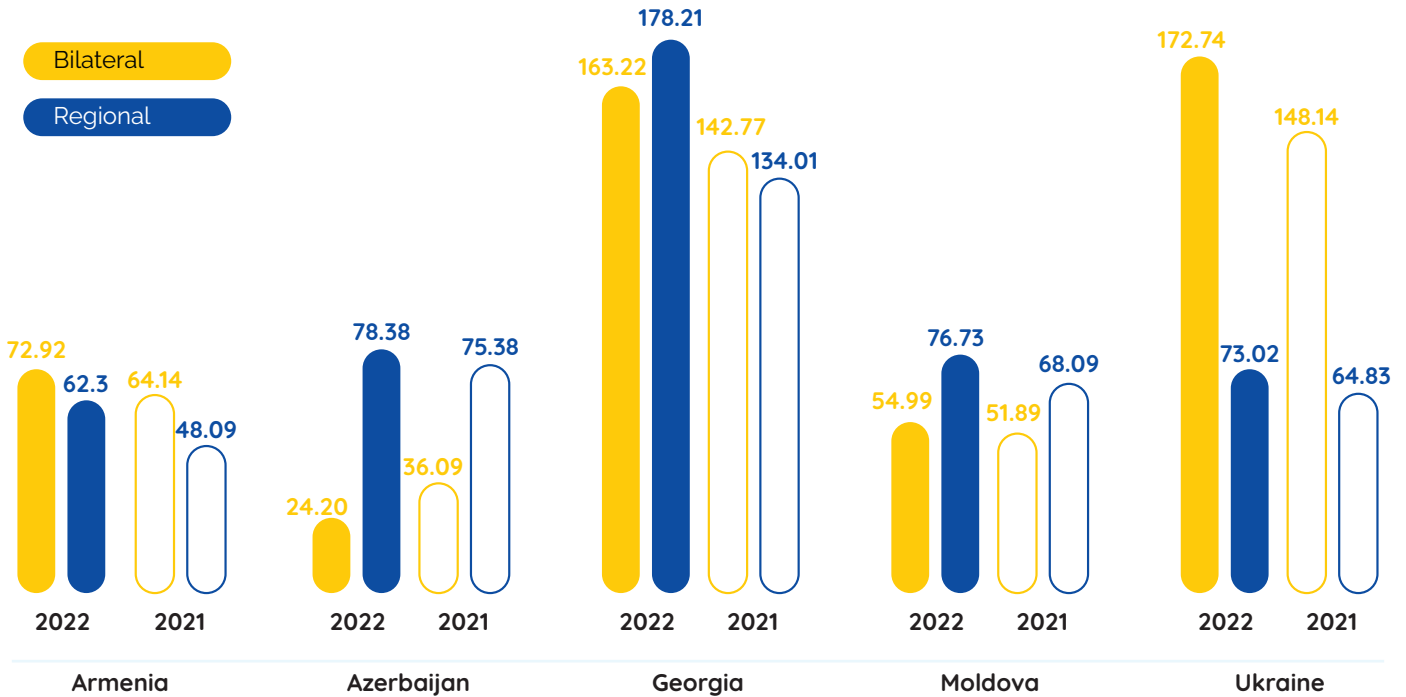
Regional projects were 79% A2F in 2022 (75% in 2021), BDS 16% (17% in 2021) and BEE 5% (8% in 2021). This is a small variation between years, but the key point is that the regional projects include all of the major financing with international financial institutions, which are “big ticket” interventions.



# Country portfolios

## Value of Projects Breakdown by Country, mln €

The largest beneficiaries of the partner countries in terms of finance were Georgia and Ukraine with 36% and 25% of the total budget respectively. Both countries saw their share of the budget increase. However, all five countries benefited from the overall increase in the budget over 2021, but also from the withdrawal of Belarus from the EU4Business Initiative.

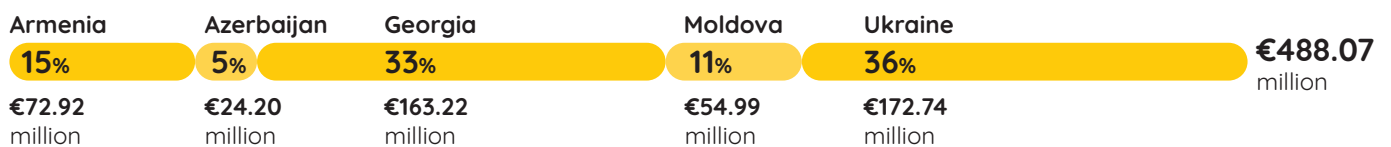


## Breakdown of Financing of Active Projects by Country

### Total regional and bilateral



### Bilateral



### Regional



## Armenia

29

projects provided support to SMEs in 2022

The total value of EU support in Armenia in 2022

€135.22 million

+21% compared with 2021



60%

A2F

€80.89 million

30%

BDS

€41.04 million

10%

BEE

€13.29 million

## Azerbaijan

38

projects provided support to SMEs in 2022

The total value of EU support in Azerbaijan in 2022

€102.58 million

-8% compared with 2021



59%

A2F

€60.45 million

27%

BDS

€28.25 million

14%

BEE

€13.88 million

## Georgia

45

projects provided support to SMEs in 2022

The total value of EU support in Georgia in 2022

€341.44 million

+23% compared with 2021



55%

A2F

€187.53 million

28%

BDS

€96.42 million

17%

BEE

€57.49 million

## Moldova

30

projects provided support to SMEs in 2022

The total value of EU support in Moldova in 2022

€131.72 million

+10% compared with 2021



49%

A2F

€63.94 million

38%

BDS

€50.64 million

13%

BEE

€17.14 million

## Ukraine

42

projects provided support to SMEs in 2022

The total value of EU support in Ukraine in 2022

€245.76 million

+15% compared with 2021



52%

A2F

€127.90 million

29%

BDS

€71.86 million

19%

BEE

€46.00 million



# The farmer grows business amid war with EU support

One winter day, farmer Andriy Turchyn woke up to calls from his friends. They said something he found hard to believe – the war started. Turchyn quickly checked the news and discovered that Russia invaded Ukraine. While many people fled the country in search of safety for their families, Turchyn stayed behind.

His family was actively looking for a solution to save the farming business amid the war. At this critical juncture, Lisova Polyana enterprise got a grant under the Additional Component of **FinancEast Programme** for the resumption of financing of small and medium-sized enterprises in the controlled areas of Donetsk and Luhansk regions. The **European Union**, through the **German Development Bank KfW**, provides financial support in the form of subsidies and compensations.

**“We are farmers. Time demands patience and perseverance from us. We must instill in people the desire to work here, on the Ukrainian soil. So that they can earn decently and not have to go abroad. And then we will definitely win.”**

**Andriy Turchyn,**  
farmer, entrepreneur

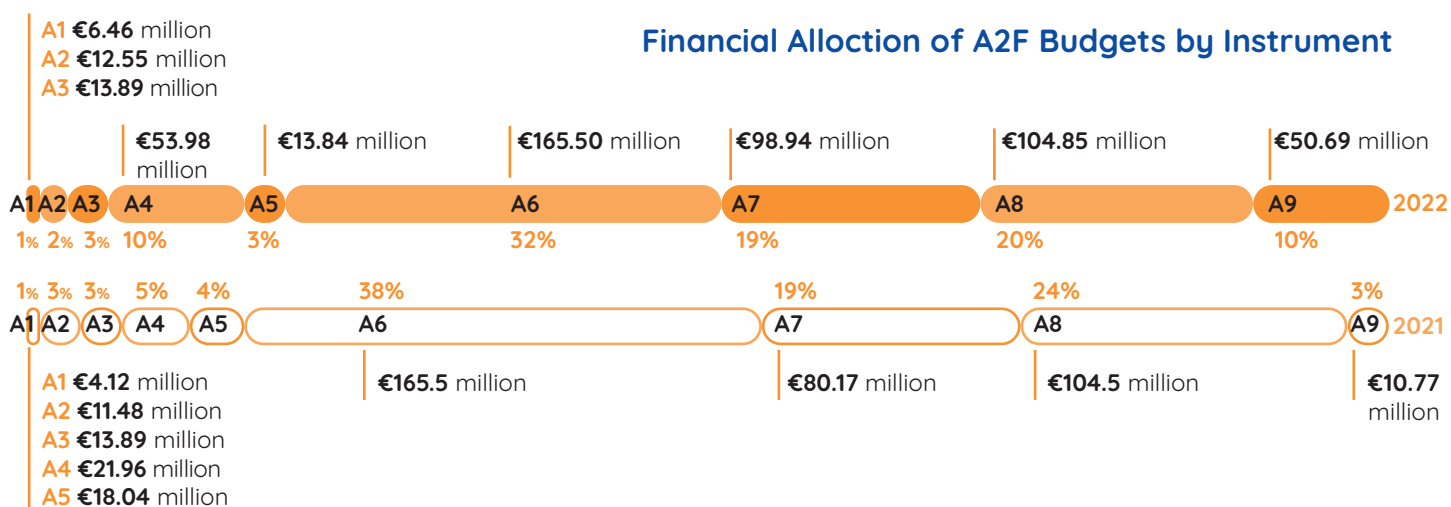
# Overview by type of intervention

## Access to Finance (A2F)

A total of **€520.70 million** in EU support was allocated to unlock access to finance in 2022 **+21%** compared with 2021

Support in Access to Finance is delivered through nine instruments. They are described below.

A1	A2	A3	A4	A5	A6	A7	A8	A9
Capped Loss Recovery	Interest Subsidy	Targeted Assistance (TA) to PFIs	Capped Guarantees	Currency Hedging Subsidy	SME Incentive Grants (linked to loans)	Grants to SMEs	Structured Funds	Equity



### Breakdown of instruments into regional/bilateral

Some instruments were wholly regional in their application, such as A1 capped loss recovery, A2 interest rate subsidies and A8 structured funds. All others were covered by both regional and bilateral interventions, with the largest share of bilateral funding going to A7 – grants.

	Regional	Bilateral
A1	€6.46 million	€0.00 million
A2	€12.55 million	€0.00 million
A3	€13.44 million	€0.45 million
A4	€33.98 million	€20.00 million
A5	€12.84 million	€1.00 million
A6	€145.22 million	€20.29 million
A7	€0.00 million	€98.94 million
A8	€104.84 million	€0.00 million
A9	€39.92 million	€10.77 million

## 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 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 suffer. 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, 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 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.

### 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 through guarantees to reduce collateral requirements for SMEs. This is a guarantee that enables improved access to finance through the reimbursement of a portion of the loss caused by the SME portfolio. These guarantees are generally capped at up to 25% of the total portfolio of the respective partner financial institution and generally 70%-80% of each individual sub-loan. In the case of the DCFTA facility phase 1 EIB/ EIF, the guarantee is 25%/70%, for EIF COSME support the guarantee is 50%/70%, for DCFTA facility phase 2 the guarantee is 25%/80%.

### 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. This covers the foreign exchange losses of the IFIs, but such coverage is subject to payment of costs/fees. 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 more 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 compliance with 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 to 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).

### A9 Equity

Equity is a direct investment instrument for funding SMEs by buying participation (shares) in the respective company. This type of support instrument involves more risk and is for now it is only active in Armenia, where the EU provides a first loss guarantee for the Amber Equity Fund that invests equity in SMEs of Armenia.



# Boosting export potential: EU and Eurochambres join efforts to support Georgian eco-friendly design companies

At Funduki, a word often heard is “eco-comfortable,” a term rarely used in the Georgian language. The significance behind it lies in the fact that over 90% of the textiles used by Funduki are either repurposed from leftover pieces or sourced from sustainable materials designed to endure without damage for extended periods. Fashion waste is a major issue in today’s world: out of the annual production of 100 billion garments, approximately 92 million tonnes ultimately end up in landfills.

The nationwide closure of businesses served as a wake-up call for Funduki founders and their partners, compelling them to explore alternative avenues for the growth. Luckily, in 2021 Funduki got into the project **Enhancing Export Capacities for Georgian and Estonian SMEs – Export Design**, supported by the **EU4Business:Connecting Companies** project. The company got assistance in export activities, participated in study visits, had a number of B2B meetings, and placed their productions in the leading concept store in Tallinn.

“High quality is our signature and something we don’t ever want to lose. It’s also what others love about Funduki and what makes us think that we might have a successful future in export.”

Aleksandre Tsivtsivadze and Thea Chakhrakia, co-founders of Funduki



# Business Development Services (BDS)

A total of  
**€288.21** million  
 compared with 2021  
 -2%

in EU support is allocated to improving business development services in 2022

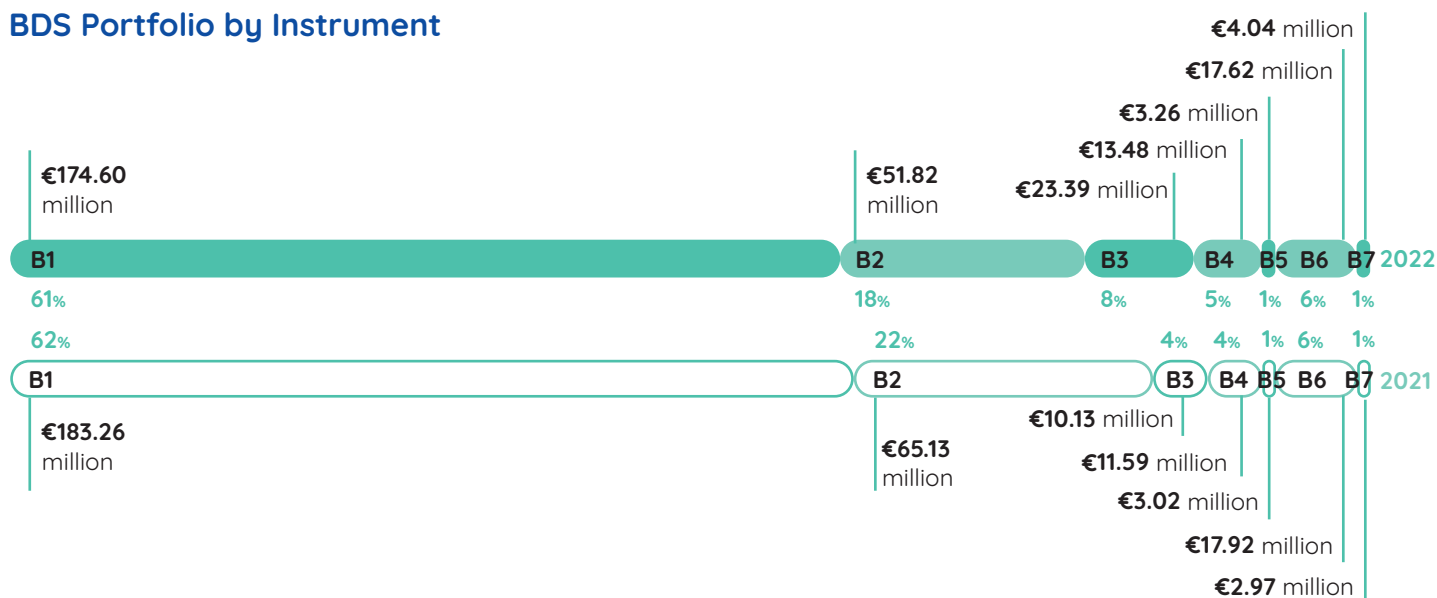
Over  
**61%** of all BDS interventions are direct consultancy services to businesses in EaP countries

With  
**18%** being allocated to capacity building amongst business support organisations to develop and deliver better business development services

Support in Business Development Services is delivered through seven instruments. They are described below.

B1	B2	B3	B4	B5	B6	B7
Consultancy Services for SMEs	Capacity Building of BSOs	Incubators	Clusters	Trade Information	B2B Activities	Export Strategies

## BDS Portfolio by Instrument



## Breakdown of instruments into regional/bilateral

Five of the seven BDS support instruments were delivered through both regional and bilateral programmes, the two exceptions being B4 (clusters) and B7 (export strategies). By far the largest contributions were made to consultancy to SMEs (B1) and work with BSOs and incubators (B2).

	Regional	Bilateral
B1	€59.51 million	€115.09 million
B2	€8.31 million	€43.51 million
B3	€3.00 million	€20.39 million
B4	€0.00 million	€13.48 million
B5	€0.74 million	€2.52 million
B6	€1.62 million	€16.00 million
B7	€0.00 million	€4.04 million



## BDS Instruments by Type

### **B1** Consultancy Services for SMEs

Through this instrument, the EU4Business Initiative aims to increase directly 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, 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.

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 operating costs are high, the initial financial set-up is crucial for keeping the incubators viable after the EU intervention ends.

### **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. The success of the SME cluster is closely 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 exports. This instrument can include generating the necessary information (brochures, guides, market reports) or developing tools for accessing online resources and intelligent searches. It 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 product or service). These can include participation in online buyer auctions, trade fair participation, 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 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. Working with government and stakeholders, it 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.





# Business owners from Azerbaijan discover secrets to making a premium product with the EU help



“We not only got training and equipment, but also the opportunity to communicate. We’ve found a platform for meeting other farmers and producers. Sales was the toughest part of our business before we found support.”

**Sarkhan Hajiyev,**  
head of a dried-fruit enterprise

Persimmons are grown in Balaken region, located in the north-west of Azerbaijan, across an area of about 700 hectares. Here, persimmon production is the area of agriculture that has the highest export potential. Each year, several tons of this product are harvested in Balaken.

The Balaken farmers were able to obtain funds and other necessary support through an EU-funded project called **“Development of Sustainable and Inclusive Agro-food Systems in the North-Western Region of Azerbaijan.”** The project is being implemented along with

the United Nations Food and Agriculture Organization, or FAO. Relevant public and private service providers were also mobilized to support eco-friendly businesses in this particular region. Some of the farmers joined this initiative as a group, in cooperatives, including Sarkhan Hajiyev, the head of a dried-fruit enterprise. They raised their business awareness, participated in training on business planning, marketing, and budget preparation and management as well as got invitations to fairs.

# Business Enabling Environment (BEE)

A total of  
**€147.81**  
 million

in EU support was allocated to improving the business enabling environment in 2022

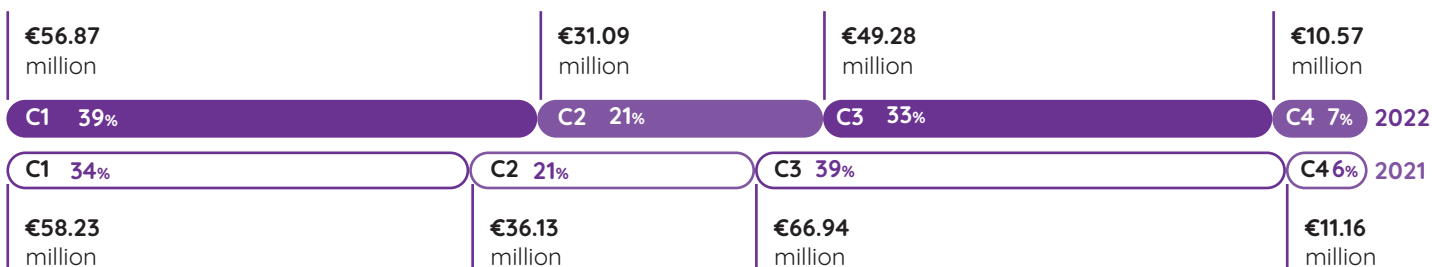


**-14%**  
 compared with 2021

Support in Business Enabling Environment is delivered through four instruments. They are described below.

C1	C2	C3	C4
<b>Capacity Building among Policymakers and Regulators</b>	<b>PPD (Public Private Dialogue)</b>	<b>Regulatory Reform</b>	<b>Information and Communication to SMEs</b>
<p>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.</p>	<p>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.</p>	<p>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).</p>	<p>Through this instrument, EU4Business interventions support government to inform SMEs on reforms and implications for their business and steps to compliance with regulatory reform.</p>

## BEE Portfolio Budget by Instrument



## Breakdown of instruments into regional/bilateral

BEE actions are overwhelmingly bilateral, as they deal with issues that are highly country-specific. This may change in future years, as EU accession becomes an issue for Georgia, Moldova and Ukraine. These partner countries may have to undertake business regulatory alignment with standards in the EU.

	Regional	Bilateral
C1	€2.05 million	€54.82 million
C2	€7.00 million	€24.09 million
C3	€17.15 million	€32.13 million
C4	€0.00 million	€10.57 million



# Producers of traditional Ukrainian cheese go for growth with EU support

In the Carpathians, Ukraine's highest mountain range, live the Ukrainian highlanders – **the Hutsuls**. Apart from their distinctive language, music, traditions, and costumes, there is one more thing that Hutsuls have maintained for centuries – their traditional way of making the first-recorded Ukrainian cheese, Hutsul bryndza cheese, made from sheep's milk.

To help develop traditional cheese production in Ukraine, the **Association of Producers of Traditional Carpathian Highland Cheeses** was founded in 2018 with the help of the EU-supported Institutional and Policy Reform for Smallholder Agriculture project under the EU4Business Initiative. The project contributes to more inclusive, competitive growth-orientated agriculture that respects the environment, increases rural incomes, and slows down rural-urban migration.

“I learned everything through the project...When I came to the association, and we produced our first cheese, the price was EUR 4. This was even lower than the cost of production. Then we underwent external quality control with the project's support, and we started selling cheese for EUR17.”

**Oleksandr Martyn**, the Head of the Association of Producers of Traditional Carpathian Highland Cheeses



# Year Two of the War in Ukraine and the Reconstruction Agenda

**For Ukrainian SMEs, the situation is stabilising, but remains uncertain, in spite of businesses' positive outlook**

A number of surveys were conducted in Ukraine in mid-2022 that looked not only at the impact of the war on businesses, but also businesses' perceptions of their future prospects. It should be noted that in 2022, a number of surveys of MSMEs were conducted, most notably by the EU4Business: SME Competitiveness and Internationalization project implemented by GIZ, and also a major analysis of the impact of the war on MSMEs conducted by the Swiss Development Corporation and UNDP. Regrettably, these took place before the period currently under review (May and June 2022).

## They were followed by:

- a MasterCard study on the likely recovery period for business;
- a Gradus Report of July 2022 on the number of businesses fully or partially still operating;
- an American Chamber of Commerce review of how many businesses were fully functional (72 percent) in August 2022;
- a European Business Association review of October 2022 that reported a very bullish trend for staff hiring, and the subsequent index of business of January 2023;
- Kyiv School of Economics estimates of losses to business during the war (January 2023);
- a study by the Centre for Innovations Development: "State, needs and prospects of business during the war, (April 2023)".

Our conclusions are also based on dialogue to date with regional governments, regional development agencies and NGOs in the period up to October 2023.

## The key environmental factors that affected SMEs were:

- the impact of the Russian invasion and extensive physical damage to eight out of 25 regions (24 oblasts plus the city of Kyiv). There is also intermittent damage ongoing throughout the country due to regular rocket and drone strikes;
- mass migration, both external and primarily to the EU, plus internally from the south and east to central and western oblasts. This meant not only a loss of customers, but also the loss of staff of MSMEs — especially in the retail and service sectors;
- military mobilisation, with many women serving in the armed forces and all males of 18–60 years of age liable to conscription, indicating a brain drain from business as well as ownership/management issues. Paradoxically, at a time of increased unemployment due to the economic downturn, there are still shortages of labour — especially of skilled workers;
- a drop in the level of economic activity of 29.2 percent in 2022, which, combined with the migration from Ukraine, means a major decline in domestic purchasing power — which MSMEs rely on for the bulk of their earnings, given that most SMEs work only on the domestic markets;
- a breakdown of supply chains both for and between MSMEs, but also between MSMEs and larger businesses that are either customers or suppliers. Some of these suppliers were in Belarus and Russia. Transportation issues should also be mentioned, such as blocked ports and the loss of or severe congestion of some market access routes;
- market competition changes and distortions. Many MSMEs faced competition, especially in retail, from humanitarian initiatives that preferred to send goods rather than money. In nearly all cases identified, these goods were in any case available or produced

in Ukraine, and money transfers would have enabled those in need to buy locally and help keep the economy afloat. As another factor, many NGOs started to engage in the production and sale of goods: they are another form of SME and another source of competition;

- ➔ Stresses of relocation are also a major factor, with many relocated plants reaching only 30 percent of pre-war production by mid-year 2022. However, this problem is receding as the frontline is much more stable and relocation agencies (such as that in Ternopil) were reporting a steady return to normal by March/April 2023, and even the reappearance of new (including foreign) investors. According to the Ministry of Economy, during first the year of full-scale war, 800 enterprises were relocated to safer regions of the country under the government's relocation program, 623 of which have already resumed work at a new location, while another 239 were searching for a suitable location or method of transportation;
- ➔ Lastly, there has been a change in the gender aspect of MSME activities, as women have a higher representation among IDPs and evacuees. The sectors most heavily affected by the drop in the economy (retail and services) were those in which women were often most active. However, many women may now have had to take over the management of MSMEs as more men are called away to the front.

#### **For the SMEs supported by the EU, the picture was more positive:**

- ➔ Turnover increased by over 18 percent, but this was in line with inflation. Nonetheless, the fact that they managed to retain the previous level of business in an extremely adverse environment is very encouraging. It demonstrates the value of the support received;
- ➔ There was a modest increase in exports of 5.25 percent, but this was overtaken by inflation. However, there were 2,097 new exporters, perhaps as the shrinkage of the domestic markets forces SMEs to look elsewhere;
- ➔ Some 23,750 new jobs were created, and the number of retained jobs was over 370,000, figures that are completely contrary to the general trend;
- ➔ Almost 49 percent of enterprises were owned or managed by women, a level higher than in some European economies.

Looking at forward trends, now that the war is clearly going to be of long duration, is harder. However, positive signs are reported in a State Employment Service sample survey of enterprises (all sizes). Some 17 percent plan more hires within the next six months, 51 percent are open to hiring IDPs, and 34 percent are looking to employ ex-combatants. This is a very bullish position in a challenging environment.

## **EBRD End of Year Survey 2022**

Research commissioned by the **European Bank for Reconstruction and Development** (EBRD) shows that a majority of small and medium-sized businesses (SMEs) surveyed in Ukraine had stabilised their activity almost a year after the Russian invasion, demonstrating resilience despite the devastating impact on the economy.

The research provides an assessment of the business environment and has been conducted in two stages: qualitative survey (16 expert interviews) and quantitative representative research (150 telephone interviews) of SMEs in production and service sectors, covering all regions of Ukraine, except those temporarily occupied. The results were obtained as of the end of December 2022 and identified the negative and positive trends, key problems and needs of businesses.

Respondents reported a considerable negative impact on their businesses. On average, income decreased by 43 per cent and employment by 22 per cent. However, most of the SMEs interviewed continue to operate and make short-term forecasts and strategies, even if their planning horizon has shortened to a one-month period from several years. Strategies focus on finding new markets (including abroad), reshaping and diversifying business activities, developing unique products or services, and finding grants.

Among the negative trends brought about by the Russian aggression, SMEs cite a decrease in business activity, income and number of orders due to population movements and lower spending capacity. Other negative factors noted by respondents were severe cost-cutting, labour outflows due to mobilisation and migration, damage to energy infrastructure and partial loss of equipment.

However, for some SMEs, the war-induced crisis in the business sector has presented opportunities for growth. Businesses that adapt their business models, search for new markets and offer creative and unique solutions show more confidence than others.

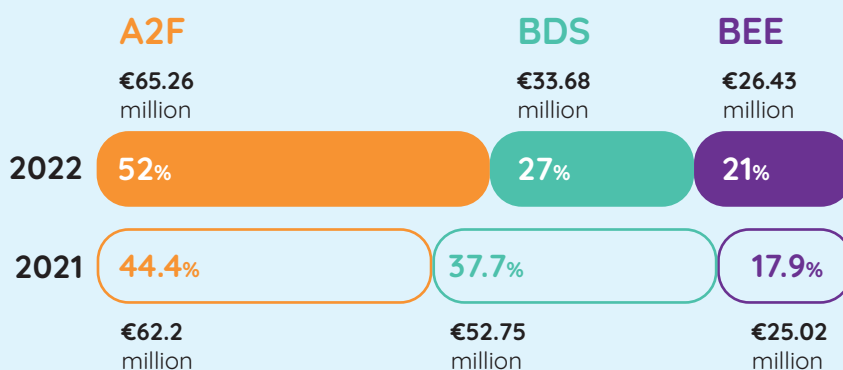
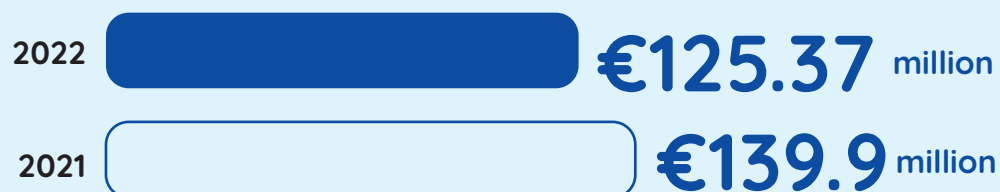
According to the research, the top five problems small businesses face are: a decrease in demand and loss of market outlets (77 per cent); cost increases (70 per cent); a decrease in labour productivity (68 per cent); an inability to forecast and build long-term strategies due to uncertainty (68 per cent); and an inability to increase salaries for employees (55 per cent). Production companies cited broken supply chains among their top five problems (67 per cent), compared with 52 per cent of SMEs more broadly.

Among their top five needs, businesses cited: help with business reconstruction (35 per cent); obtaining a grant for a variety of business purposes (32 per cent); getting advice from businesses that have faced the same problems in the same markets and successfully overcome them (25 per cent); learning from the experience of international companies (22 per cent); and facilitating international partnerships (21 per cent). Grants for business study trips and participation in international exhibitions (19 per cent) are also required.

# ACHIEVEMENTS IN 2022

## Aggregated Results Across the EaP

The disbursed budget declined by just over 10% from €139.9 million to €125.37 million between 2021 and 2022. However, there was a substantial increase in the share disbursed on Access to Finance.



**A2F**

€65.26 million

**BDS**

€33.68 million

**BEE**

€26.43 million

2022

52%

27%

21%

2021

44.4%

37.7%

17.9%

€62.2 million

€52.75 million

€25.02 million

\* As noted above, from 2022, Belarus is no longer included in the EU4Business Initiative



Photo: Innovative metalworking in Ukraine story

## The level of EU support



## Number of SMEs supported

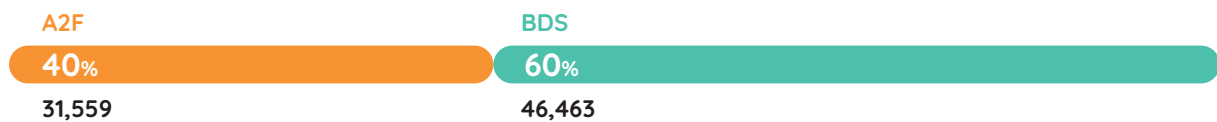


Although budgets increased, the number of SMEs supported remained at almost the same level as in 2021. However, it is to be noted that while the decrease in the disbursed budget across the EaP was 10.44%, the number of supported SMEs decreased only by 0.03%.

This suggests that there was more efficient use of EU funds to support SMEs in the EaP region. This was partly attributable to the fact that Belarus is no longer part of the Initiative.

## SMEs supported per pillar

While improvements to the Business Enabling Environment (BEE) would support and benefit a whole range of SMEs, this has not been included in the analysis as it is difficult to exactly quantify the number of beneficiaries and the specific impact of reforms.



## SMEs supported by Country

Most of the SMEs supported in the EaP were again in Georgia (39%), followed by Ukraine (33%), and Azerbaijan (11%).

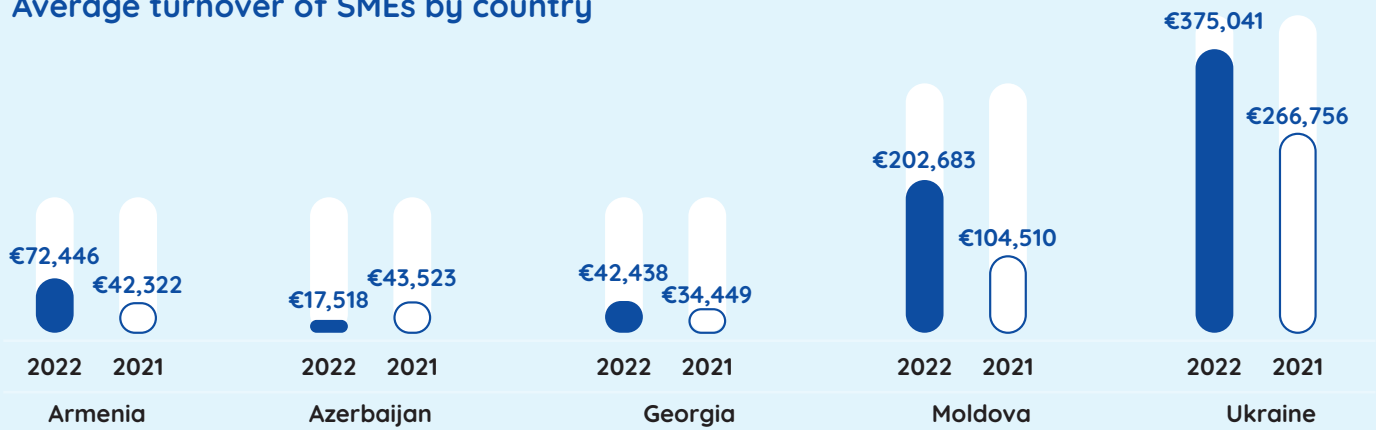


There was a large increase in the number of women-owned or managed SMEs that were supported: in 2021, 31% of supported enterprises were owned or managed by women, while in 2022, this figure rose to 40%. The highest figure was recorded in Ukraine, with 49%, but this was slightly less than in 2021, when it was just over 50%.

Total income of supported SMEs Eastern Partnership in 2022 was

**€15.33 billion**

### Average turnover of SMEs by country

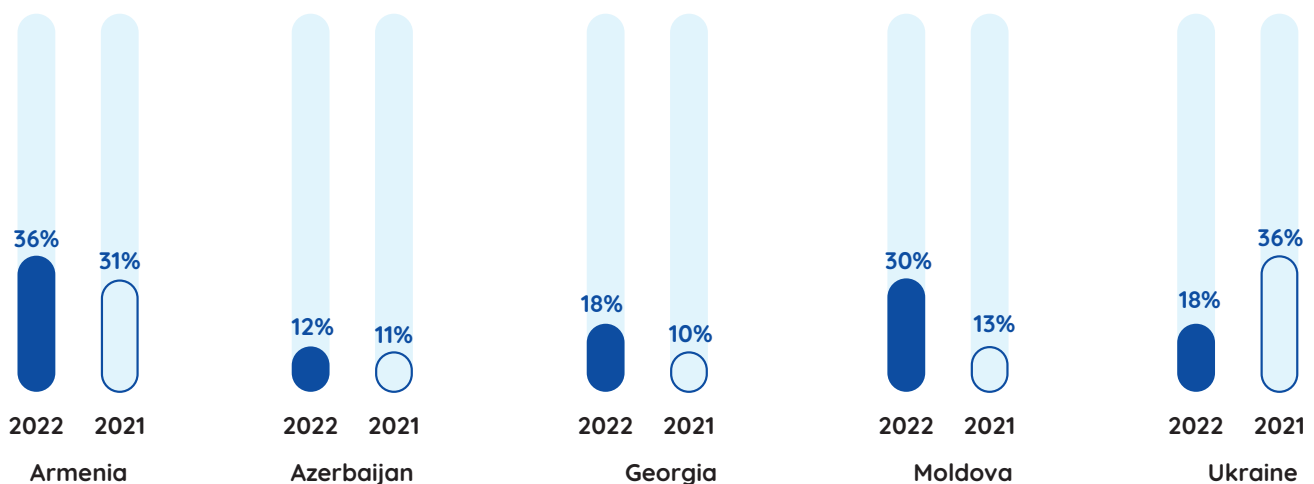


### Increase in Turnover



### % increase in turnover in supported SMEs

Growth in turnover in 2022 was highest in Armenia and Moldova, whilst it was more moderate in Georgia, static in Azerbaijan, but fell dramatically in Ukraine due to the Russian invasion.



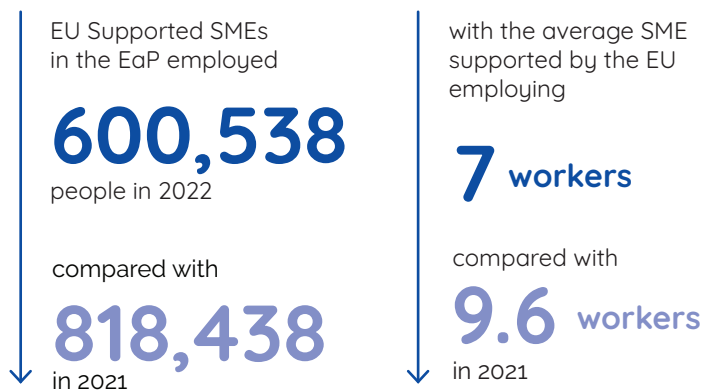


# Number of retained jobs

The number of retained jobs across the EaP fell to 600,538, although 83,410 new jobs were created.

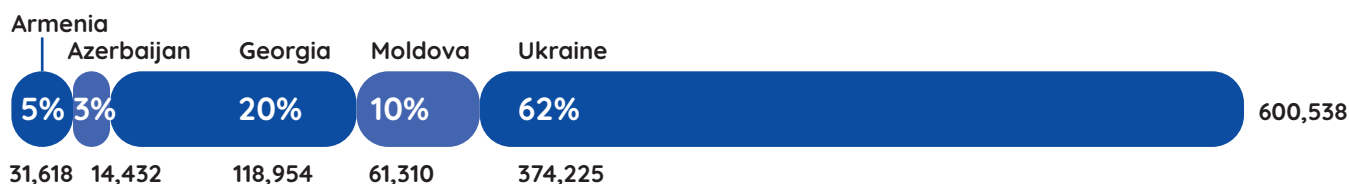
This works out to an average of 7 workers per supported SME.

In both cases, the numbers were lower than in 2021, but still higher than for 2020, the last year of the COVID-19 pandemic.



## Number of sustained jobs (proxy number of employees in supported SMEs)

The largest number of jobs retained was in Ukraine, where it was over 374,000. This was again probably due to the fact that more of the supported SMEs were at the top end of the SME size range. As in 2021, Georgia came second, with over 118,000 employees retained, which is a reflection of the fact that it had the highest number of SMEs supported (30,628).



Ukraine had the largest number in the retained jobs per supported SME, with an average of 13.7 employees per SME; the lowest was Azerbaijan, with 1.2. Again, this reflects the fact that supported SMEs in Ukraine were at the upper end of the size spectrum. In many cases, SMEs are small or family firms, or engage in less labour-intensive businesses. However, Moldova had the highest income generated per employee, at €32,985 per employee.

	Average Jobs/ supported SME	Average income/ supported SME	Number of employees/ 100 000 income	Average annual income/ employee at supported SME
Armenia	3.3	€72,446	4.5	€22,143
Azerbaijan	1.2	€17,518	7.1	€14,163
Georgia	3.1	€42,438	7.3	€13,730
Moldova	6.1	€202,683	3.0	€32,985
Ukraine	13.7	€375,041	3.7	€27,311

**Photo:** Uteach: Online teaching with automation within minutes supported by EU4Business, Armenia

# Number of jobs created

In 2022, EU-supported SMEs created 83,410 jobs, which was an increase of almost 15,000 over 2021.

The number of new jobs created by the SMEs supported by the EU in 2022 was thus 25% higher than in 2021.

In 2022, EU supported SMEs in EaP countries generated

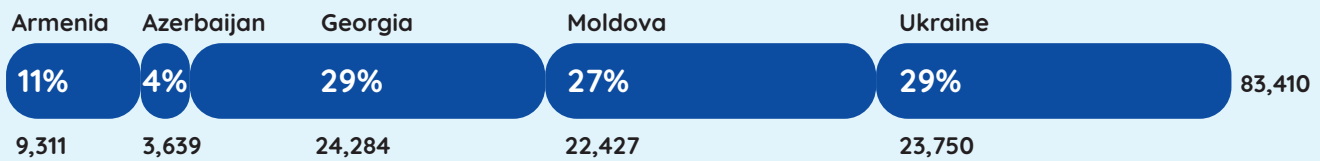
**83,410**  
new jobs

compared with

**66,678**  
new jobs  
in 2021

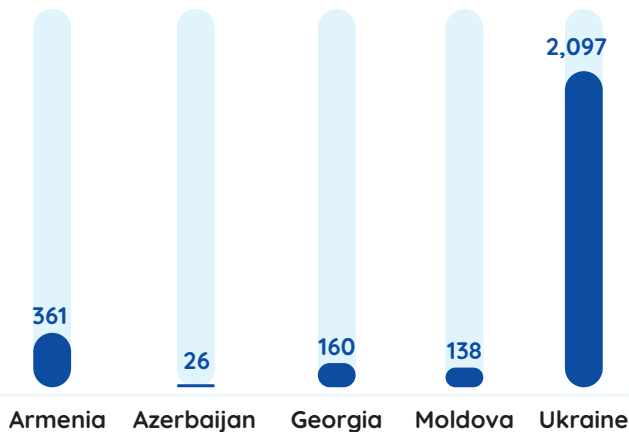
## Number of new jobs created in supported SMEs

The highest number of new jobs created was this time in Georgia and Ukraine, which accounted for 29% of the new jobs each.



## Number of new exporters

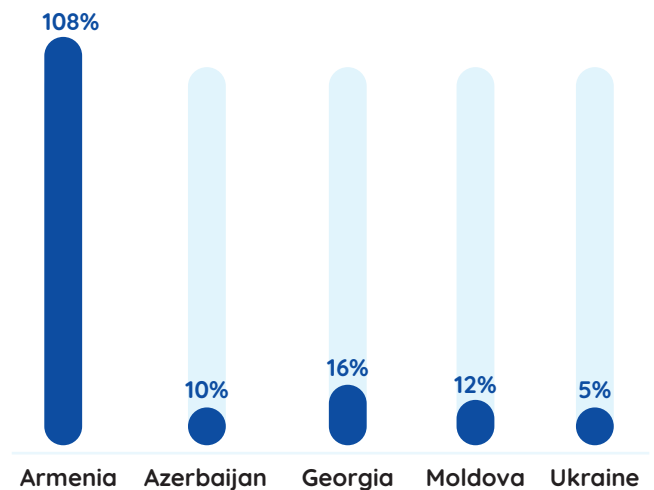
**2,782**



There was a 23.5% decrease in exporting SMEs, from 3,638 new exporters in 2021 to 2,783 in 2022. This could be a direct consequence of the war of Russia against Ukraine, which is also affecting trading within the EaP region through loss of rail access across the territory of Ukraine, mining of the Black Sea and loss of Ukrainian port facilities.

## Increase in SMEs' exports

**12%**



In 2022, the increase in exports of EU-supported SMEs was 12%, which was a modest increase over the 2021 figure of 11%. It was highest in Armenia at 108%, and lowest in Ukraine at 5%. This may be a reflection of the Russian war of aggression against Ukraine, in which some countries in the Caucasus saw an increase in trade with Russia due to EU and other sanctions.

# Results by instrument

## Access to Finance (A2F)

The amount of EU funds disbursed for improvement in access to finance for SMEs in the EaP in 2022 is

**€65.26**  
million



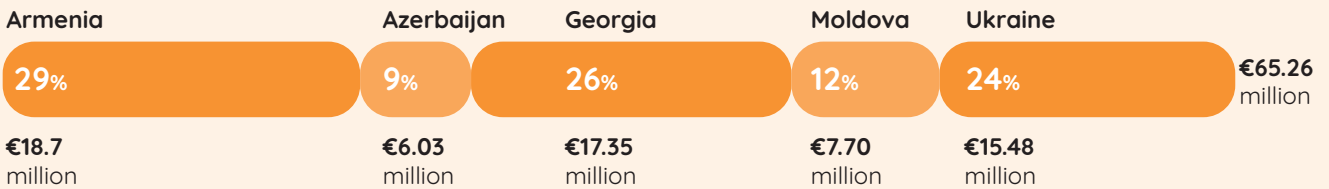
**52%**  
% of the total disbursed budget in 2022

27%

21%

The A2F disbursed budget increased by 4.92% in 2022, from €62.2 million in 2021 to €65.3 million in 2022. This is fully reflected by the increase in the value of loans triggered via various blending instruments in 2022 compared to 2021.

### % of total A2F budget 2022



In 2022,

**€40.97**  
million

was disbursed through International Financial Institutions (IFIs) to leverage around €536.83 million



**31,559**

SMEs benefited from access to finance supported by EU

**37%**  
women

**2,085**

SMEs received grants



**€7,043**

average per grant

**43**

local financial institutions supported

**29,469**

SMEs received loans



**€18,115**

average size of loans

	Instrument title	Number of SMEs supported	% of total supported
A1	Capped Loss Recovery	3,372	11%
A4	Capped Guarantees	5,745	18%
A5	Currency Hedging Subsidy	590	2%
A6	SME Incentive grants	453	1%
A7	Grants to SMEs	2,085	6%
A8	Structured Funds	19,309	61%
A9	Equity	5	1%

# Volume of Loans Triggered in the Eastern Partnership

Total volume of loans triggered across the EaP is

**€536.83**  
million

compared with

**€259.34**  
million  
in 2021

↑ an increase of  
**106%**

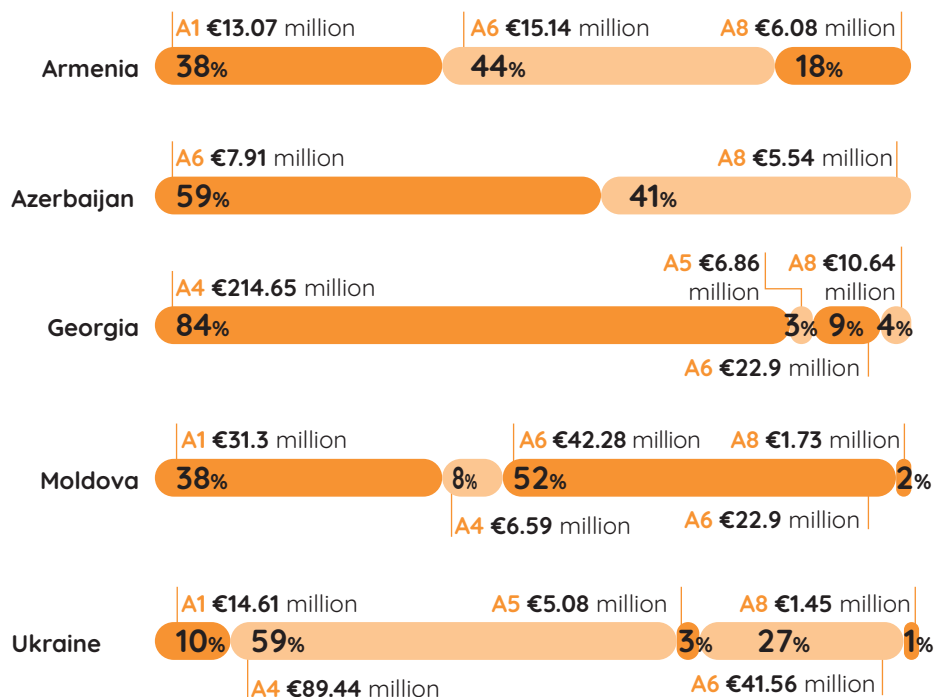
## Loans Triggered by Country

In terms of loans triggered, the highest absolute number was in Georgia (11,466) and the lowest was Ukraine (3,544). Of more relevance is the size of the average loan. This was highest in Ukraine at €42,933, and lowest in Azerbaijan at €3,157, a reflection of the very different sizes of the “average” supported SME in each country.

In terms of share of the loan portfolio, Georgia came first with 47%, and Ukraine second with 28%. This was a reversal of the positioning in 2021.



## Budget of A2F Instruments



The number of types of instrument remained highest in Ukraine, but in 2022 the leading instrument in Armenia, Azerbaijan, Moldova and Ukraine was the SME Incentive Grant, which accounted for 41% in Armenia, 48% in Azerbaijan, 45% in Moldova and almost 39% in Ukraine. The outlier was Georgia, where there was more of an even spread amongst the key instruments, and the largest share was that of structured funds – 30.9% (19.76% in 2021).



# The EU provides animal-loving entrepreneurs in Moldova with business opportunities

“Our goal was to produce pet food from natural ingredients for dogs and cats. The EU support was a major boost. It helped us to buy the basic equipment.”

Dmitri Alexandrov,  
entrepreneur



In Moldova, with the support of the European Union under its EU4Business Initiative, **26 young entrepreneurs** have opened and developed their own companies with the help of a business support project for young entrepreneurs on the left bank of the Nistru river and the security zone. The project, called “Mentoring in Business – 3. Start for Youth,” is being carried under the European Union’s “Confidence-Building Measures” programme, implemented by the United Nations Development Program in Moldova.

The young entrepreneurs benefited from grants of EUR 10,000, as well as counseling to expand their entrepreneurial activity.

One of the beneficiaries of “Mentoring in Business – 3. Start for Youth” is entrepreneur Dmitri Alexandrov from the village of Tirnauca, in Slobozia district. The support offered by EU4Business enabled the young man to start producing food for pets and farm animals.

# Business Development Services (BDS)

The amount of EU support disbursed to improve the skills of SMEs in EaP in 2022 is

**€33.68**  
million



52%

**27%**

21%

% of the total disbursed budget in 2022

compared with

**€52.8** million  
in 2021

48%

**33%**

19%

in 2021

The EU funds disbursed for Business Development Services decreased in 2022 by 36.15% compared to 2021, from €52.74 million to €33.68 million. This decrease can be understood in the context of the war in Ukraine, which made the delivery of direct consultancy services to SMEs difficult. In fact, the sharpest decrease in the budgets allocated to Business Development Services was the 57.93% decrease in Consultancy Services for SMEs. We must also remember that no services are provided in Belarus.

## % of total BDS budget 2022

Armenia

21%

€7.11 million

Azerbaijan

9%

€3.03 million

Georgia

32%

€10.82 million

Moldova

11%

€3.51 million

Ukraine

27%

€9.21 million

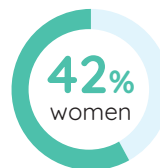
€33.68 million



# Number of SMEs Supported Through Business Development Services

Number of SMEs supported with business development services

46,463



## Some Types of Services Offered Through BDS

BDS covers a very broad range of services, not only to SMEs but also to Business Service Organisations. In 2022, the services delivered were:

16,205

SMEs trained

637

SMEs incubated

3,648

Clustered SMEs whose staff were trained

16

Export Strategies adopted

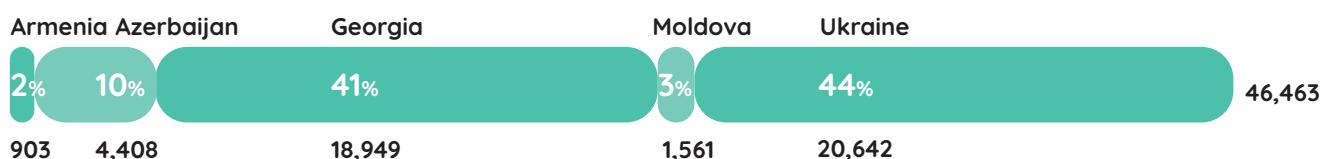
## Types of Services Offered Through BDS

	Instrument title	Number of SMEs supported	% of total
B1	Consultancy services for SMEs	37,642	81%
B3	Incubators	707	2%
B4	Clusters	6,491	14%
B6	B2B activities	1,623	3%

## SMEs Supported in Skills Development by Country

Of the 16,205 SMEs trained, the largest number came from Georgia (6,860, or 42.3%) followed by Ukraine (5,160, or 31.8%). There were 10 main consultancy services, as in 2021.

A key feature for many businesses is the greater use of IT, both for CAD/CAM, but also for marketing and potentially for exporting.



# Number of Business Services Organisations Supported

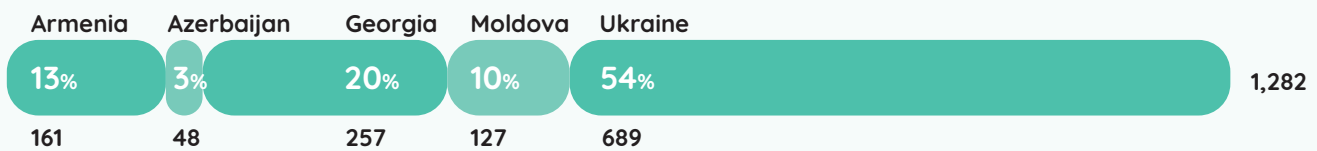
To deliver these services, **1,282** BSOs were supported through capacity-building activities

There was a rapid increase in the number of BSOs supported: the total reached 1,282 in 2022, as opposed to 600 in 2021. This was partly due to economic recovery, as there had been 1,013 in 2020, but 2022 saw 269 additional BSOs in the roster.

## % of total Number of supported BSOs

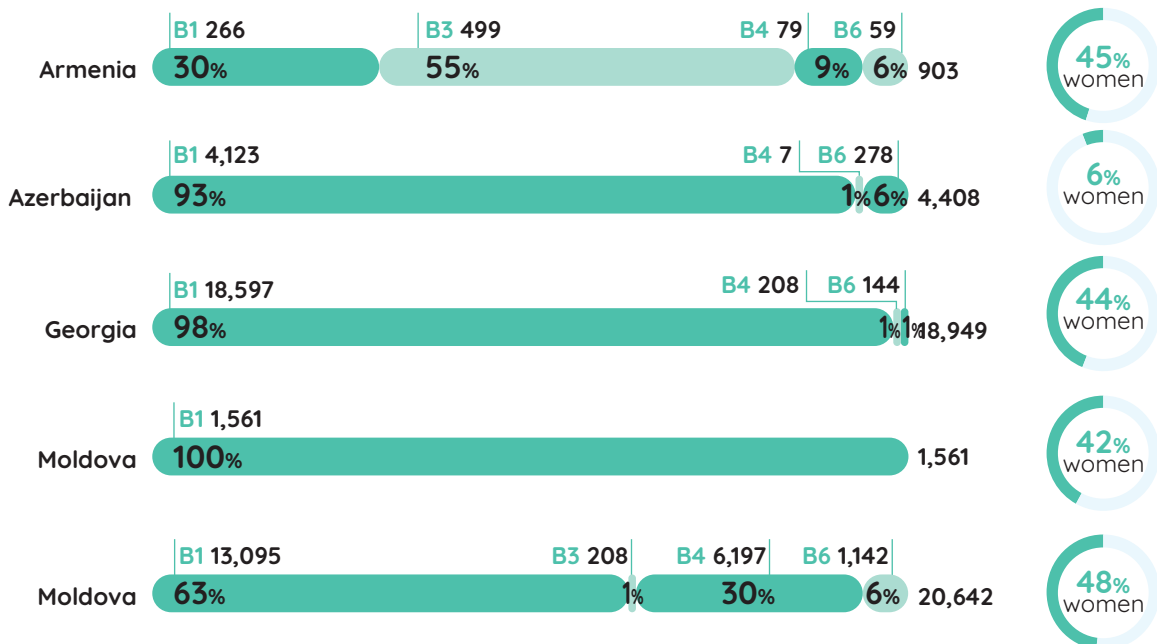
In 2022 these increases were uneven. For Armenia, the total in 2022 was 161, for Azerbaijan it was 48, which was a decline. Georgia saw 257, Moldova 127 and Ukraine 689.

It is possible that a trend is emerging for SMEs to receive services from EU4Business indirectly through BSOs, rather than receiving all of them directly. So, the number of SMEs supported will have to be calculated in such a way as to ensure that none of the indirect support is missed.



# Number of SMEs supported by BDS Instruments, by Country

In 2022, as in previous years, the predominant instrument remained direct consultancy support. Incubation was important in Armenia and Ukraine, as were clusters, which accounted for 3,648 SMEs in Armenia, Georgia and Ukraine. There was also a decline in BSB activities from 2,159 to 1,599 staff trained in this area, but then some B2B may be covered by the doubling of the support to BSOs, for whom this is part of their normal activities.







# Entrepreneurs from Moldova's Cahul develop their businesses with EU support

**Casa Bunicului** is a farm-based B&B founded in 2018 by **Dumitru and Lidia Lazar** in Pascani, a village in Cahul. With the EU4Business grant they received, the Lazar family were able to quickly add all the necessary amenities. A lot of enthusiasm, dedication and hard work turned a cold, abandoned house into a colourful, modern guesthouse that can attract international guests.

Today, Casa Bunicului, meaning Grandfather's House, is as warm and welcoming as its name and offers amazing travel experiences. What's more, the Lazar family has been able to set up a sustainable business that can contribute to the development of local agritourism.

**“Casa Bunicului is a rustic tourist resort located in an area full of breathtaking natural views. Here in Prutul de Jos, there's a natural lake, Manta, and a number of wineries that attract regular tourists and wine lovers.”**

**Lidia Lazar**, entrepreneur



## Business Enabling Environment (BEE)

Total disbursements to support business enabling environment

**€26.43**  
million



52%

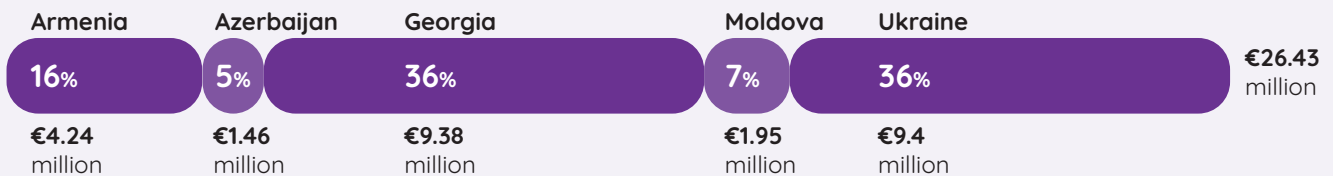
27%

**21%**

% of the total disbursed budget in 2022

The EU budget disbursed for improving the Business Enabling Environment slightly increased in 2022 by 5.6%, rising from €25 million in 2021 to €26.4 million in 2022.

### % of total BEE budget 2022

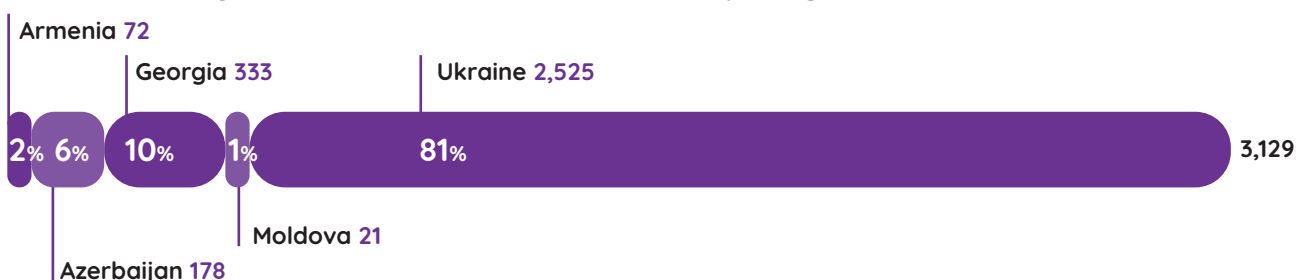


## Enhanced Capacity of Regulators and Government in the Eastern Partnership

A key feature is support for the reform processes aimed at making the legal and administrative environment more conducive to the development and conduct of business, including for SMEs. This requires advising government agencies and improving their capacity, including through training those of their staff who implement policies and regulations. In 2022, 375 government organisations were partners for enhanced capacity, while a further 775 received support in the reform process and 1,492 staff were trained for reform roles. In 2021, 463 enhanced their capacity, and this suggests that in 2022 they moved onto the next stage, closer to the implementation of reform.

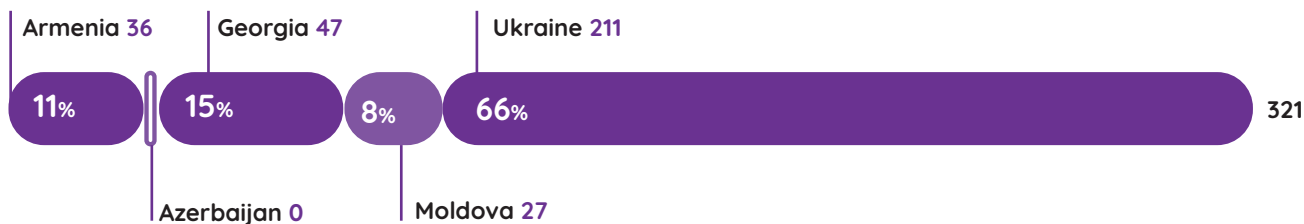
Across the EaP, a total of **3,129** government institutions, including policy-makers, regulators and enforcement agencies have had their capacities improved

### Number of Regulators/Governments whose Capacity was built



## Number of Laws /Regulations changed in Eastern Partnership

Across the EaP, a total of **321** number of laws, regulations and procedures reformed

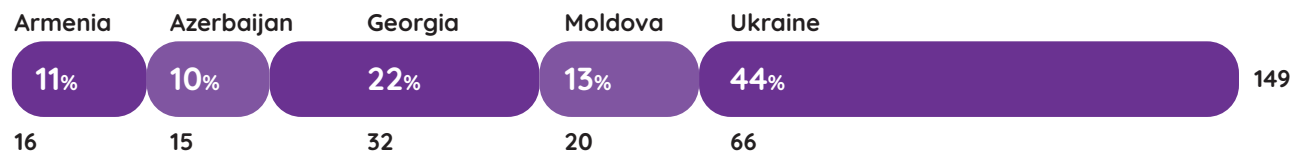


## Number of Public Private Dialogue Events in Eastern Partnership

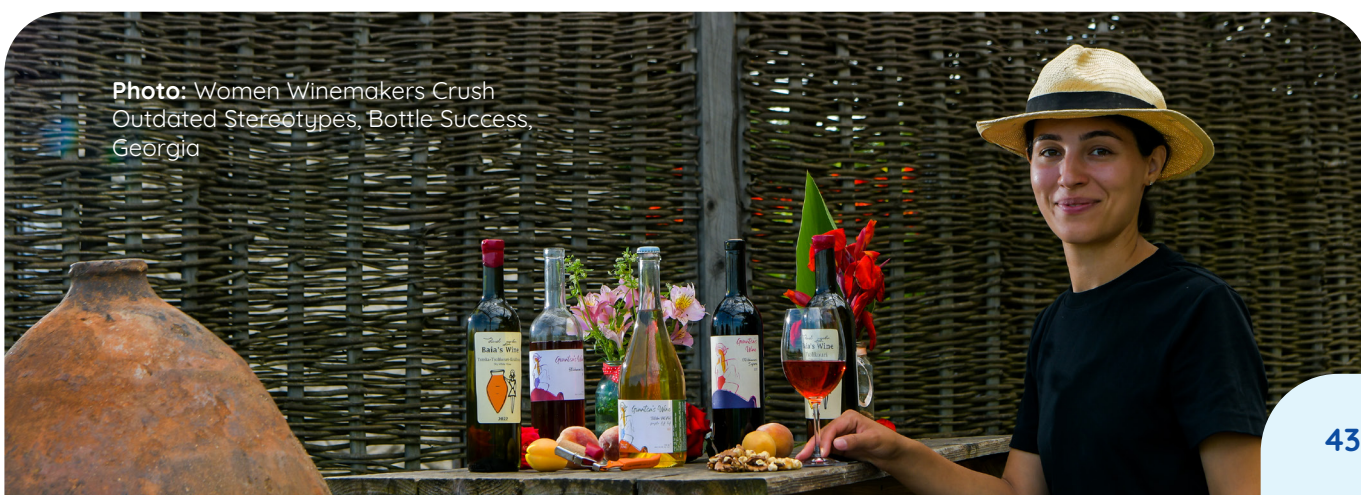
In 2022, 149 PPD events were held in the EaP, an increase of 42% over 2021. However, the figure was still far below that of 2020, when 808 such events were held. The reason may be that the majority of such events have historically been held in Ukraine, and this became impracticable due to the security situation.

Over **300** public-private dialogue events were supported by the EU across the EaP

### Number of Country PPD Events

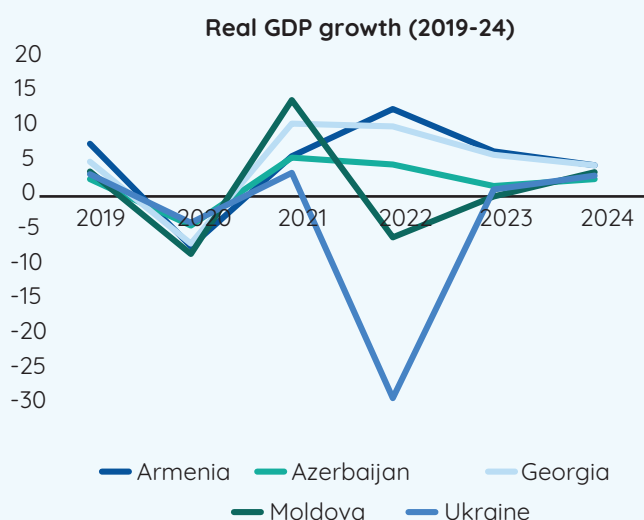


### Number of Region PPD Events

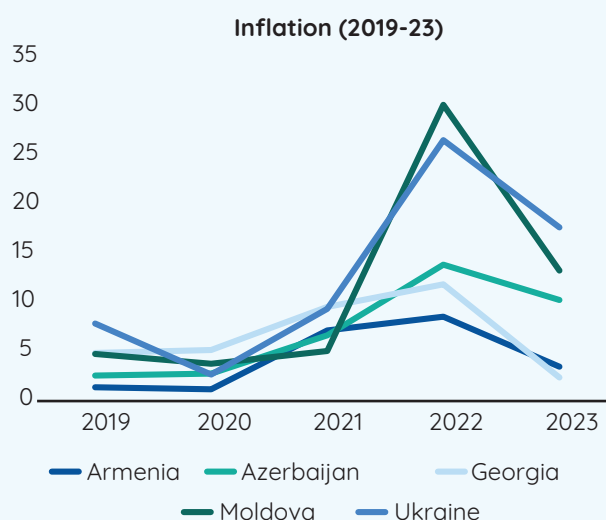


**Photo:** Women Winemakers Crush Outdated Stereotypes, Bottle Success, Georgia

# The General Outlook For the Eastern Partnership – The Viewpoint of the EBRD



Source: each national statistical office, 2023-24 figure is forecast value from EBRD REP September 2023.



Source: each national statistical office, 2023 figure is forecast value from IMF WEO October, 2023.



## Country Status

(Source: Transition Report 2023–24, November 2023)

### Armenia

#### Highlights

**Armenia’s robust economic performance continues amid geopolitical and economic uncertainty.** The strong performance of the services industry, in particular, remains largely driven by the inflow of money transfers, but the first signs of a slowdown are already visible.

**Connections with neighbours are improving slowly.** The past year has seen enhanced energy interconnections with Iran, which may yield economic benefits for Armenia.

**Anti-corruption efforts will benefit from new measures to detect and prevent corruption.** The recent launch of the Electronic Platform for Declarations of Assets, Incomes, Expenditures and Interests, as well as the use of artificial intelligence, will make it easier for the Corruption Prevention Commission (CPC) to detect and prevent corruption.

#### Key priorities for 2024

**Continued progress on implementing the digital agenda is necessary to maintain growth momentum.** The focus should be on advancing the digital transformation of the economy by improving the delivery of digital public services and supporting the development of digital skills.

**Initial steps to facilitate green investments should continue.** An efficient and transparent regulatory environment and favourable natural conditions for renewable energy could help attract foreign direct investment in initiatives to green the economy and open up new growth potential.

**Addressing the basic housing and social needs of displaced Karabakh Armenians is an utmost priority.** Their efficient inclusion in the labour market, health system, social security network and education would have a positive impact on their integration and on long-term economic growth.

# Azerbaijan

## Highlights

**Economic growth has subsided in 2023 and non-oil sector growth has moderated.** Lower energy prices, declining oil production and slow growth in the non-oil sector led to gross domestic product (GDP) growth of less than 1 per cent on the year in the first seven months of 2023.

**There is growing support for information technology (IT) sector development and the digitalisation of the economy.** New tax legislation provides incentives for employees and companies in the IT industry. At the same time, capital market development is benefiting from a new digital platform that enables online securities issuance by market participants.

**Important steps are being taken to develop the Middle Corridor trade route and promote renewable energy.** Azerbaijan is engaging with Kazakhstan and Georgia to coordinate the development of the Middle Corridor for cross-border energy transmission and non-oil goods, and the authorities are promoting major initiatives on the production and transmission of renewable energy.

## Georgia

## Highlights

**Growth remained robust, at 7.6 per cent year on year in the first half of 2023.** The extraordinary growth factors that have prevailed over the past year are gradually receding, and inflation has fallen below the central bank's target.

**The European Commission (EC) has acknowledged progress on fulfilling the 12 requirements for European Union (EU) accession status.** In November 2023 the EC recommended to the European Council that Georgia be granted the status of candidate country once the 12 priorities are fully addressed.

**There is increased focus on improving connectivity in the changing geopolitical environment.** Georgia is working with Azerbaijan, Hungary and Romania to connect the Caucasus to Europe through an electric cable under the Black Sea and to take action to increase the attractiveness of the Middle Corridor trade route between Asia and Europe.

## Key priorities for 2024

**Further investment in the non-oil sector is crucial to the sustainable diversification of the economy.** The authorities should encourage the diversification of the country's economic structure by strengthening the regulatory framework on competition and reducing the state's footprint across the economy.

**The legislative and regulatory frameworks for the renewable energy market need improvement.** Recent reforms to reduce monopolies in the electricity market are welcome, but legal tools to control monopolistic entities in this market should be strengthened further. The authorities should also devise legislation for all types of renewable energy and improve the regulatory framework to attract foreign investors.

**Enhancing the capacity of the Middle Corridor could play a crucial role in economic diversification.** The authorities should enhance the institutional capacity of domestic state-owned infrastructure companies along the Middle Corridor and step-up collaboration with other countries along the corridor to unify tariffs and simplify customs procedures.

## Key priorities for 2024

**The authorities should focus on implementing reforms that address the remaining priorities highlighted by the EC.** Progress on establishing independent anti-corruption institutions, an impartial judicial system and other priorities are crucial not only to progress on EU candidacy, but also to making another leap forward in improving the business environment.

**Reform of state-owned enterprises (SOEs) should be speeded up.** It is necessary to have a clear governance framework in place for all SOEs and to adhere to best international corporate governance standards. SOEs should operate on commercial principles and be subject to the same regulatory requirements as private enterprises.

**Reforms in the energy sector need to advance.** The authorities should avoid further delay in the development of competitive and organized domestic electricity and gas markets.

**Photo:** BeSweet cookie-maker goes from innovation to resilience with EU Support, Moldova



# Moldova

## Highlights

**The economy continues to struggle.** Output fell further in the first half of 2023 after a steep decline in 2022, and inflation decelerated to 8.6 per cent in September 2023.

**Digital transformation is advancing.** A new government digital strategy aims to develop the information technology (IT) sector, improve the efficiency of government services, enable remote identification and simplify online business registration for foreign investors.

**Structural reforms have accelerated.** Having been granted European Union (EU) candidate country status in June 2022, the authorities have made important progress in addressing the nine priorities identified in the European Commission's opinion on the application for membership. As a result, in November 2023 the European Commission recommended that the European Council open accession negotiations with Moldova once all priorities have been fully addressed.

## Ukraine

## Highlights

**The economy has stabilised in 2023, but economic conditions remain very difficult.** After an economic collapse in 2022, the situation has improved slightly in 2023 as businesses adapt to wartime conditions. Gross domestic product (GDP) growth is slightly positive once again, and inflation has declined to single-digit levels.

**Timely external financing and the new International Monetary Fund (IMF) programme have helped to restore macroeconomic stability.** Foreign reserves have increased to a historical high, while surpluses on the foreign-exchange market have brought down the market exchange rate close to the official level and prompted a shift from a pegged to a managed flexible exchange rate.

**The prospect of European Union (EU) accession and the IMF programme are powerful drivers of reform.** The authorities are coordinating a reform agenda with international partners and, despite the exceptionally difficult circumstances, are making steady progress, including on seven priority areas identified by the European Commission on Ukraine's application for membership. As a result, in November 2023 the Commission recommended that the European Council open accession negotiations with Ukraine once all priorities have been completed.

## Key priorities for 2024

**Administrative and institutional capacities need strengthening in advance of EU accession negotiations.**

The authorities should ramp up ongoing public administration and judicial-system reform efforts to further reduce corruption and eliminate the influence of oligarchs in the political system.

**The authorities should continue to undertake legislative reform to support the digitalisation of public services.**

Building on the success of new platforms to promote e-government, the necessary legislative and regulatory framework should be put in place to enable systemic digitalisation across all layers of government.

**Energy-sector reform should continue, to further integrate the domestic energy market into the EU single market.**

Enhancing energy security remains a priority given the country's location. The authorities should advance policy action with the EU to enable competitive energy trading with European partners and reduce the country's dependency on a single source of energy supply.

## Key priorities for 2024

**Reforms to strengthen governance and transparency and tackle corruption need to proceed without delay.**

Progress in these areas is essential, not only to build a fair and prosperous society, but also to convince foreign investors that there is a level playing field in Ukraine and to assure donors that their resources will be well spent. These reforms are also critical to progress towards EU accession.

**An asset quality review of systemically important banks is needed.**

This exercise should reveal if banks' assets are valued appropriately and whether banks have adequate capital to absorb current and future losses on delinquent assets. Meanwhile, ongoing bank profits need to be fully added to capital reserves.

**Fiscal policy should focus on systemic measures rather than short-term fixes.**

Proposals for short-term tax breaks and, in the medium term, tax havens should be avoided. Budget needs will remain high long after the war ends, and long-term, quality investors will be attracted by a sound business environment rather than by tax incentives.





# Going digital: Curtain producer finds success by optimizing CRM and task management



Even though it was only established in 2017, Azerbaijani company Sarvagelli Racablini is already a well-known and highly reputable company in the market of curtain production and sales. The company provides curtains, various types of blinds such as, Roller, Vertical, Venetian, Sheer Privacy blinds, Velux, Corded, hand drawn tracks, traditional curtain poles or integrated tracks within poles, for individuals and corporate clients.

Sarvagelli Racablini acquired a CRM system in 2021, with support from the European Union under the programme implemented by EBRD, which provided consultancy services for a website and marketing strategy to the company and created for it a localized search engine optimization, CRM and Task Management system.

**“When we applied, the marketing project offered to us was an expensive one, and we did not have the financial means to meet it. However, the EU through the EBRD offered to pay half of the cost of the marketing project, and we thought it was a great chance for us.”**

**Ilkin Rajabov,**  
the director of Sarvagelli Racablini

# VISIBILITY

Work within Phase 3 of the EU4Business Facility commenced in July 2023. We started by elaborating the strategy for communicating the EU4Business Initiative over 2023-2027.

The EU4Business Facility will aim to communicate the EU4Business Initiative and messages in four ways:

1

Communicating EU4Business in general, promoting EU support to SMEs across the region, and ensuring visibility.

2

Collaborating with EU Strategic Communication Initiatives and creating synergies with them.

3

Supporting partners and EU Delegations so as to communicate with common messaging.

4

Enabling SMEs to reach out to the EU to find information they are looking for.

The structured and targeted approach to communications takes account of the channels of communications and the activities of others, seeking to maximise reach. As such, the EU4Business Facility acts as a facilitating intermediary between multiple stakeholders – the EU, implementers, and the beneficiaries of actions under the EU4Business initiative.

The EU4Business Facility Communications employs the multiplier effect by engaging proactively in partnerships with EU Neighbours East, the European External Action Service, the East Stratcom Task Force, the communication units of EU delegations in the EaP, as well as contractors in the partner countries, to expand information dissemination among target groups and improve the level of visibility and awareness.

## Communication and visibility guidelines

EU4Business harmonises the communication of EU support to the private sector. Collaboration with the implementing partners and EU-funded programmes is crucial to ensure the visibility of those actions. Thus, we have introduced updated communication and visibility guidelines for EU-funded projects communicating under EU4Business. The guidelines conform to the EU's "Communicating and raising EU visibility: Guidance for external actions".

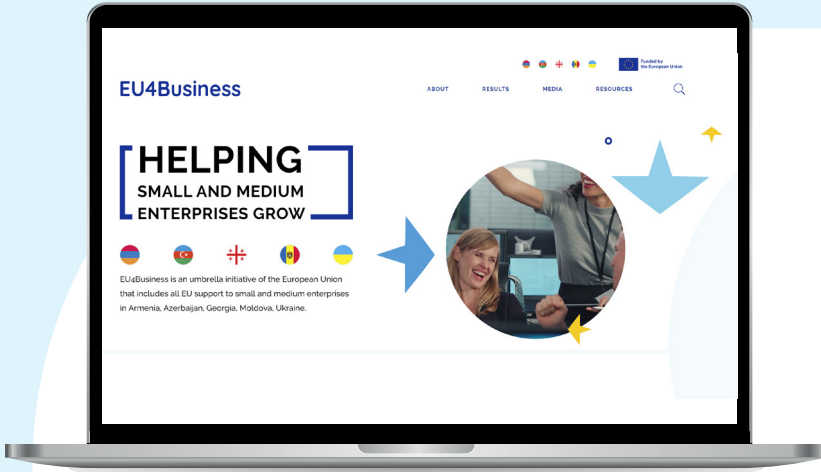
The goals of the guidelines are to establish a unified visual style for all projects under the EU4Business umbrella in all five EaP countries, and to help the EU, partners and projects communicate a consistent message and on-brand content to audiences.

The EU4Business logo and visual style have been refreshed, and toolkits have been introduced for partners delivering EU-funded projects, and for implementers through whom EU support is delivered directly to SMEs.



Look





## Website

Over 100 news items and change stories were uploaded to the EU4Business portfolio of websites over 2023, as of the date of this report's preparation (December 2023).

The number of visitors to the [www.eu4business.eu](http://www.eu4business.eu) website was

# 28,020

in 2022.

# 51,310

page views

# 9%

repeat visitors

# 91%

new visitors

[eu4business.eu](http://eu4business.eu)

The visits to [www.eu4business.am](http://www.eu4business.am) increased by 12%, to around 6,000 visitors, and there was an 11% increase in the number of new visitors. There was a 117% increase in the traffic from search engines.

The visits to [www.eu4business.az](http://www.eu4business.az) increased by 33% to around 3,000 visitors. There was an increase of 162% in traffic from search engines, which means the website is well positioned in Google.

The visits to [www.eu4business.ge](http://www.eu4business.ge) totalled 7,700, which is 6% less than in 2021. However, the website is well positioned in Google, which produced growth in search engine traffic of 69%.

The visits to [www.eu4business.md](http://www.eu4business.md) increased by 69% to around 6,300 visitors. There was a 156% increase in the traffic from search engines.

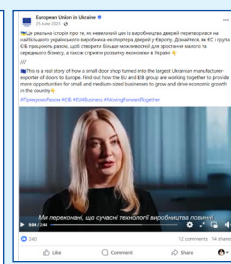
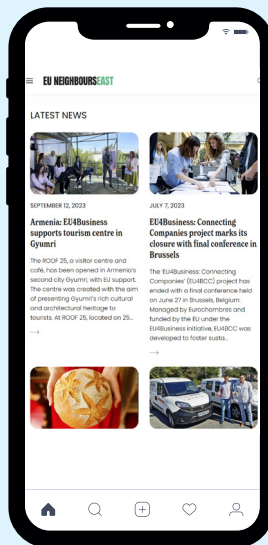
The visits to [www.eu4business.org.ua](http://www.eu4business.org.ua) grew to 17,000 in 2022, which is 55% growth on 2021. There was a 117% increase in the traffic from search engines.

The websites are being upgraded now. The new webpages will be launched in early 2024.

## Storytelling and content

Authentic success stories are perceived as the most trustworthy by a generally sceptical SME audience. For this reason we have strived to add a human angle to the impressive EU4Business support figures.

Our stories have been widely used by EU Neighbours, and covered in the mainstream media. We have regularly supplied EU delegations with stories that they, in turn, multiplied through their platforms, reaching millions of readers. We also provide stories to the DG NEAR Directorate team, which uses our materials in its tweets and reports.



# Newsletter

The current number of subscribers is

**2,563**

as of the date of this report's preparation (December 2023).



All newsletters demonstrate a good delivery rate (over)

**99%**



The average open rate is

**32.4%**

which is also a good indicator.

You are welcome to subscribe to our bi-monthly newsletter too!

[eu4business.eu](https://eu4business.eu)

## Synergies

On 17 and 18 October 2022, the Czech Government hosted the Eastern Partnership (EaP) Business Forum. Organised by the Czech Ministry of Trade and Industry, the forum focused on current geo-economic challenges and explored possible opportunities for enhanced economic cooperation and trade integration between the EU and EaP countries.

The forum brought together high-level officials and private sector representatives from the EU and from its Eastern partner countries, as well as representatives

of international financial institutions, for ministerial panels, conferences, and project presentations. The discussions focused particularly on energy transition, the digitalization of the economy, smart cities, smart agriculture, and investment screening.

The Business Forum was an occasion to present the results of the latest EU4Business Initiative annual report. We also took care to increase EU visibility at the forum, by placing posters in the hall, and screening videos.



### Olga Seleznova

Head of Communications, EU4Business Facility

The EU4Business Facility's goal is to monitor and analyse the impact of the EU's private-sector support actions in the EaP under the EU4Business Initiative in order to maximise its visibility. Our collective work is what builds EU4Business, and the EU4Business Facility team is always available to help you do that.

# Empowering education in Armenia through Techschool with the EU support

The COVID-19 pandemic brought about unprecedented challenges for businesses and educational centers in Armenia to adapt to remote learning and face greater obstacles, such as technology access and maintaining the quality of education. However, innovative approaches were swiftly implemented, including the establishment of Techschool, formerly known as Bootcamp, in April 2022. This was supported by EU4Business.

Techschool serves as a comprehensive online learning platform, offering a wide range of courses and resources to help individuals develop and enhance their skills in the field of technology. In 2022, Techschool received an EU4Business EUR 50,000 grant under the **“Innovative Tourism and Technology Development for Armenia” (ITTD)**. The support was instrumental in enhancing educational programs and achieving positive outcomes.

**“With EU assistance, Techschool successfully developed a user-friendly website and a robust learning management system, enabling the creation and delivery of engaging online courses.”**

Ruzanna Hovhannisyan,  
founder of Techschool



Human story



[Read full story](#)



# ANNEX 1

# Annex 1: List of projects by country as of 2022

Title	Total Budget	Start date	End date	Type of the Project	Country Benefiting					Areas of Intervention		
					AM	AZ	GE	MD	UA	A2F	BDS	BEE
Armenia SME Finance and Advice Facility	€15,380,000	2015	2029	Bilateral	•					•	•	
EU4SEVAN	€5,000,664	2020	2026	Bilateral	•						•	
EU TUMO Convergence Centre	€12,500,000	2018	2025	Bilateral	•						•	
EU for Increasing Migrants' Potential to Act for Development of Armenia	€3,500,000	2020	2024	Bilateral	•					•	•	
Administration Agreement between the EC on behalf of the EU and the IBRD concerning part II Europe 2020 Promgrammatic SDTF No. TF073433: Support to Economic Governance, Business Environment and Justice Functional Review	€2,500,000	2021	2023	Bilateral	•							•
Innovative Tourism and Technology Development for Armenia (EU ITTD)	€13,500,000	2019	2024	Bilateral	•					•	•	•
EU Green Agriculture Initiative in Armenia (EU-GAIA)	€9,700,000	2019	2024	Bilateral	•					•		
EU- EBRD Support to the State Commission for the Protection of Economic Competition in Armenia	€500,000	2020	2022	Bilateral	•							•
Setting conditions for recognition of the Armenian Accreditation System by the European Cooperation for Accreditation	€700,000	2021	2022	Bilateral	•							•
Support to Quality Infrastructure in Armenia	€4,000,000	2022	2025	Bilateral	•							•
Establishment of a Technology and Creative Industries Hub in Kapan	€1,000,000	2022	2025	Bilateral	•						•	
Enhancing private sector-led economic growth in Dilijan and adjacent communities	€1,000,000	2022	2024	Bilateral	•						•	
Enhancing economic development of Ijevan through leveraging PPP and creating local eco-system for innovative development	€640,800	2022	2024	Bilateral	•						•	•
Creative Accelerator Program (CAP)	€3,000,000	2022	2025	Bilateral	•					•	•	
Azerbaijan Rapid Technical Assistance Facility (AZTAF)	€5,250,000	2021	2024	Bilateral		•					•	•
Promoting Competitiveness, Collaboration and Modernization in Fruit and Vegetable Sector in Lankaran Region	€3,250,000	2021	2024	Bilateral		•					•	•
EU Support to Lankaran-Astara Economic Region of Azerbaijan	€2,396,000	2021	2024	Bilateral		•					•	•
Support to Transformation and Achievement of Excellence in Pomegranate Value Chain (STEP)	€502,210	2020	2022	Bilateral		•					•	
Developing innovation-driven and sustainable civil society in Azerbaijan	€3,000,000	2020	2023	Bilateral		•					•	•
"From Kitchen to Business" Food Promotion and Women Empowerment Action	€446,789	2019	2022	Bilateral		•					•	

Title	Total Budget	Start date	End date	Type of the Project	Country Benefiting					Areas of Intervention		
					AM	AZ	GE	MD	UA	A2F	BDS	BEE
EU AZE Business Forum 2020-2021	€296,250	2020	2022	Bilateral		•						•
Supporting women's entrepreneurship during COVID - 19	€60,000	2020	2022	Bilateral		•				•		
Azerbaijan Hazelnut and Pomegranate Initiative (AHPI)	€551,223	2017	2022	Bilateral		•					•	
Support to Azerbaijan Standardization Institute for implementation of the National Plan for harmonizing national standardization system with international requirements	€997,081	2020	2022	Bilateral		•						•
Improved Promotion and Marketing of Traditional Food Products	€1,900,000	2019	2022	Bilateral		•					•	
Support to the State Statistical Committee and the State Tax Service under the Ministry of Economy to strengthen collection, harmonization, analysis, publishing and dissemination of business statistics	€997,519	2020	2022	Bilateral		•						•
Support the Government of Azerbaijan in development of export strategy and support in its implementation	€849,950	2020	2022	Bilateral		•					•	•
Twinning "Support to State Customs Committee of Azerbaijan in accession to the Convention on Common Transit Procedure, Convention on Simplification of Formalities in Trade in Goods and implementation of the New Computerised Transit System"	€1,000,000	2020	2022	Bilateral		•						•
Improved Support for Entrepreneurial Development in Rural Areas	€1,734,000	2019	2022	Bilateral		•					•	
Support to the government of Azerbaijan in creating more enabling SME's environment and to enhance their competitiveness	€914,210	2020	2022	Bilateral		•					•	•
"Urgent start-up support action for vulnerable communities in Sheki"	€59,510	2022	2022	Bilateral		•				•	•	
Strengthening of institutional as well as human capacities of Georgian National Agency for Standards and Metrology (GEOSTM) according to the international/EU best practices	€1,400,000	2021	2024	Bilateral			•					•
Ensuring further progress of SPS and food safety system in Georgia	€1,450,000	2020	2024	Bilateral			•					•
Economic and Business Development in Georgia -Budget Support contract	€21,250,000	2018	2023	Bilateral			•			•	•	•
Clusters 4 Development – Better Business Sophistication in Georgia	€5,300,000	2019	2023	Bilateral			•				•	
Green Economy: Sustainable Mountain Tourism and Organic Agriculture (GRETA)	€3,000,000	2018	2023	Bilateral			•				•	•
EU innovative action for private sector competitiveness in Georgia	€5,000,000	2019	2023	Bilateral			•				•	•
Increasing Institutional Capacity for Innovation Project	€2,700,000	2019	2022	Bilateral			•			•		•
Improving Rural Development in Georgia (ENPARD III)	€10,000,000	2018	2022	Bilateral			•				•	•
Improving the Agriculture Sector in Georgia (ENPARD III)	€12,000,000	2018	2022	Bilateral			•			•	•	•

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Promoting European business and economic interests in Georgia	€119,701	2021	2022	Bilateral			•				•	•
The DIGITAL RE4M Programme to foster COVID-19 recovery of SMEs	€1,850,000	2020	2023	Bilateral			•			•	•	•
European Neighbourhood Programme for Agriculture and Rural Development in Georgia, phase III (ENPARD Georgia III)	€44,500,000	2018	2022	Bilateral			•			•	•	
Economic Development of Oni Municipality via Business Clusters Creation and Investment Attraction	€315,262	2022	2024	Bilateral			•				•	
Strengthening Capacity of the Competition Agency of Georgia	€1,200,000	2022	2024	Bilateral			•					•
Green Guria: Supporting Local Democracy and Rural Development for Inclusive and Resilient Green Growth	€2,000,000	2022	2025	Bilateral			•			•	•	•
Capacitated Agricultural Practices and Consumer Awareness (CAPCA)	€1,762,266	2023	2025	Bilateral			•			•	•	•
Accelerated Rural Development in Imereti & Kakheti	€2,976,868	2022	2025	Bilateral			•			•	•	•
Catalysing Economic and Social Life in EU Focal Regions of Georgia	€4,500,000	2022	2025	Bilateral			•			•	•	
Joint EU-UN Programme for Rural Development in Abkhazia, Phase III (ENPARD IV)	€1,750,000	2022	2024	Bilateral			•			•	•	
Support to the Food Safety and Sanitary & Phytosanitary (SPS) Sector in Georgia under ENPARD IV (European Neighbourhood Programme for Agriculture and Rural Development in Georgia Phase IV)	€9,000,000	2021	2025	Bilateral			•			•	•	•
Bolnisi Business Model-Expanding Success and Inspiring Local Governments for Economic Development	€150,000	2022	2024	Bilateral			•				•	•
European Neighbourhood Programme for Agriculture and Rural Development in Georgia (Phase IV) Budget Support Contract	€31,000,000	2020	2025	Bilateral			•				•	•
EU for Sustainable, Innovative, Green and Competitive Economy (EU4SMEs)	€8,000,000	2023	2026	Bilateral				•		•	•	
EU4Moldova Local communities – economic and skills development	€1,092,050	2022	2025	Bilateral				•		•	•	•
Inclusive economic empowerment of focal regions of the Republic of Moldova	€23,000,000	2019	2025	Bilateral				•			•	
Harnessing the CSOs' potential to promote and develop the social entrepreneurship in Moldova	€1,000,000	2022	2025	Bilateral				•		•	•	•
EU4Moldova: Local Communities Development (LEADER)	€2,500,000	2021	2024	Bilateral				•		•	•	•
Start up City Cahul	€6,800,000	2020	2024	Bilateral				•		•	•	
LEADER approach for rural prosperity in Moldova	€1,000,000	2020	2023	Bilateral				•			•	
European Union confidence Building Measures Programme V (2019-2022)	€9,400,000	2019	2023	Bilateral				•				•
Rural SME policy support window	€2,191,000	2020	2023	Bilateral				•		•	•	•
Financing Technologies against Climate Change / FINTECC	€15,400,000	2015	2026	Bilateral					•		•	

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Inclusive, competitive and sustainable value chain development in agriculture, fisheries and forestry	€18,750,000	2021	2025	Bilateral					•	•	•	•
Institutional and Policy Reform for Smallholder Agriculture	€7,000,000	2021	2025	Bilateral					•		•	•
EU4Business: SME Competitiveness and Internationalization	€15,500,000	2020	2024	Bilateral					•	•	•	•
Improvement of legislation, control and awareness in food safety, animal health and welfare in Ukraine	€6,300,000	2019	2024	Bilateral					•			•
Strengthening the institutional capacity of the Ministry for Development of Economy, Trade and Agriculture (META) of Ukraine in the field of National Quality Infrastructures (NQI)	€1,200,000	2021	2023	Bilateral					•			•
EU Support to the East of Ukraine	€9,500,000	2018	2022	Bilateral					•	•	•	
EU4Business: Network of Business Support Centres in Ukraine	€40,000,000	2016	2025	Bilateral					•	•	•	
Better regulation reform and improved policymaking process through increased role of civil society	€499,555	2021	2022	Bilateral					•			•
EU Support to the East of Ukraine: Recovery, Peacebuilding and Governance	€13,769,743	2018	2022	Bilateral					•	•	•	•
Strengthening the regulation and supervision of the non-bank financial market	€4,500,000	2017	2023	Bilateral					•			•
Implementation of EU practices for accounting, financial reporting and audit in Ukraine	€2,000,000	2020	2025	Bilateral					•		•	•
M4EG II Grant contract with Mamalyha Village Council "Connecting communities – for sustainable economic growth (ConCom4EG)"	€366,390	2021	2024	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					•	•	•	•
New Economy of Ivano-Frankivsk (NEF) – supporting emerging innovative economic activity clusters in Ivano-Frankivsk	€999,900	2022	2025	Bilateral					•		•	•
Fostering economic growth in Kamyanets-Podilskyi hromada	€137,457	2022	2025	Bilateral					•		•	•
EU4Business: SME Recovery Programme Ukraine	€10,000,000	2022	2025	Bilateral					•	•	•	
Support to the Partial Credit Guarantee Fund (PCGF) under the land reform	€11,850,000	2023	2026	Bilateral					•	•		•
EU Support for Ukrainian MSMEs	€10,000,000	2023	2036	Bilateral					•	•		
EU4Business: SME Policies and Institutions Support (SMEPIS) Ukraine	€3,999,200	2023	2025	Bilateral					•		•	•
EU Integration Campaign for Rapid Business Reorientation	€59,960	2023	2024	Bilateral					•			•
DCFTA Initiative East (EIB) (can also be referred to as DCFTA Facility by EIB)	€62,746,000	2016	2028	Regional	•	•	•			•	•	
Grant for the DCFTA Initiative East – Local Currency Solution Programme	€5,300,000	2018	2029	Regional	•				•	•		



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EU4Business EBRD Credit line (EU Deep and Comprehensive Free Trade Area (DCFTA) Facility, EBRD DCFTA Programme)	€38,900,000	2017	2027	Regional		•	•	•	•	•	•	
EU4Business EBRD Credit line (SME Competitiveness Programme in Eastern Partnership – 2018 funds)	€52,908,951	2019	2026	Regional	•	•	•	•	•	•		
EU4Business EBRD Credit line (SME Competitiveness Programme in Eastern Partnership – 2019 funds)	€42,675,049	2019	2028	Regional	•	•	•	•	•	•		
EU4Business EBRD Credit line (EU Deep and Comprehensive Free Trade Area (DCFTA) Facility, EBRD DCFTA Programme)	€19,430,000	2016	2026	Regional			•	•	•		•	•
DCFTA SME Direct Finance Facility	€10,220,000	2014	2029	Regional		•	•	•	•	•	•	
Green for Growth – Extension to Neighbourhood East II	€6,157,151	2018	2039	Regional			•	•	•	•		
2018 NIP decision share – Green for Growth – Extension to Neighbourhood East II	€5,162,849	2018	2039	Regional		•	•	•	•	•		
Promoting Green Lending in the Eastern Partnership	€32,855,000	2020	2040	Regional	•	•	•	•	•	•		
GGF L Shares for Georgia: Promoting Green Local Currency Lending	€10,355,000	2019	2040	Regional			•			•		
EU4Business – The EU Local Currency Partnership Initiative: the European Fund for Southeast Europe (EFSE)	€50,320,000	2018	2039	Regional	•	•	•	•	•	•		
Eastern Partnership SME Finance Facility – Phase II KfW	€5,200,000	2017	2030	Regional		•			•	•		
EIB-04 SME Finance Facility – EIB window	€5,100,000	2010	2030	Regional			•	•		•		
FINANCE AND TECHNOLOGY TRANSFER CENTRE FOR CLIMATE CHANGE (FINTECC) – EU4CLIMATE window	€15,400,000	2020	2027	Regional	•	•	•	•	•	•		
Eastern Partnership SME Finance Facility – Phase II EIB	€5,200,000	2017	2027	Regional		•			•	•		
EBRD Advice for Small Businesses, Team Europe EaP window	€14,976,000	2020	2026	Regional	•	•	•	•	•		•	
Mayors for Economic Growth 2 TA	€10,000,000	2021	2024	Regional	•	•	•	•	•		•	•
Eastern Partnership Trade Helpdesk	€3,700,000	2019	2024	Regional	•	•	•	•	•		•	
Structural Reform Facility: World Bank component	€1,500,000	2018	2024	Regional	•	•	•	•	•			•
EU4BUSINESS: Connecting Companies	€6,498,205	2019	2023	Regional	•	•	•	•	•		•	
EFSE – EU4Business: Local Currency Lending to MSEs in the Eastern Partnership	€39,921,000	2020	2041	Regional	•	•	•	•	•	•		
Women in Business Phase II	€8,000,000	2023	2029	Regional	•	•	•	•	•	•	•	
EU4Business: From Policies to Action Phase II	€2,900,000	2020	2024	Regional	•	•	•	•	•			•
EU-EBRD Country-specific Investment Climate Reviews and Action Plans for Eastern partnership (EaP) countries Phase II	€1,200,000	2022	2025	Regional	•	•	•	•				•
PROPARCO Guarantee Program	€10,650,000	2022	2027	Regional			•			•		
NASIRA Guarantee Program	€1,365,000	2022	2027	Regional	•					•		

