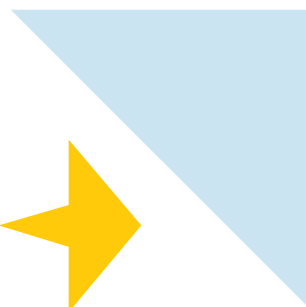
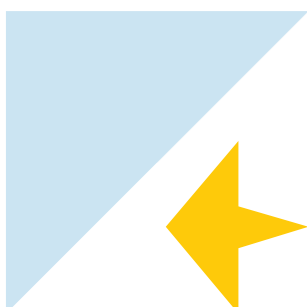


Annual Report



EU Support to Micro-, Small and Medium Business
in the Eastern Partnership

Commissioner’s Foreword.....03

EU4Business Initiative: How EU supports SMEs in the EaP.....04

About the Initiative..... 05

EU4Business portfolio in 2024..... 06

2024 key results at a glance 14

EU4Business Results 2024.....16

Summary of EU4Business results in 202418

Results by key instruments22

Results in Access to Finance 22

Article: The Ukraine Investment Framework, the investment arm of the Ukraine Facility24

Article: Moldova Growth Plan: The path to European integration26

Article: Armenia’s Resilience and Growth Plan: Building a Stronger Future28

Results in Business Development Services 30

Article: Digital transformation in the Eastern Partnership33

Article: Innovation in the Eastern Partnership: Driving modern economies37

Results in Business Enabling Environment 40

Article: Enhancing business environment in the Eastern Partnership member states42

Annex 1: List of projects 202446

Annex 2: EU4Business partners 50



Marta Kos

Commissioner for Enlargement

2024 was a defining year for the private sector in the Eastern Partnership (EaP) region. Amid ongoing geopolitical instability — most notably the continued Russian war of aggression against Ukraine — the region demonstrated remarkable resilience and momentum, with the EU playing a key role in supporting economic growth and private sector development.

Ukraine and Moldova opened accession negotiations with the EU, signalling a clear commitment to reform and alignment with European standards. These historic milestones are already contributing to a more **transparent and predictable business environment with improved regulatory frameworks, greater use of digital tools, enhanced innovation, and alignment with EU best practices**. Such progress is essential for small and medium-sized enterprises (SMEs) to thrive and succeed.

At the heart of this support lies the **EU4Business Initiative**, which continues to play a pivotal role in enabling SMEs to grow, innovate, and adapt to a challenging landscape. Whether facing disrupted trade routes, inflation, or currency volatility, EU4Business addresses urgent business needs — such as access to finance, skills, and markets — while also supporting longer-term structural reforms that strengthen the overall business climate.

In 2024 alone, EU4Business supported over **80,000 MSMEs** across the region. These businesses generated over **€9.9 billion in turnover** and created more than **120,000 new jobs, bringing the number of sustained jobs to over 650,000**. Through partnerships with 48 financial institutions, this programme has facilitated more than **€1.95 billion for MSMEs**, while business development services and advisory support strengthened their operational capacities.

Women across the region are seizing these opportunities. In 2024, **36% of supported SMEs were owned or managed by women**. From accessing finance and expert advice to adopting new digital and green technologies, women entrepreneurs are not only expanding their businesses —they are actively reshaping local economies.

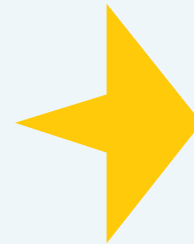
These outcomes demonstrate how targeted EU support delivers tangible results. SMEs receiving assistance through EU4business consistently outperform national averages, with reported gains of **10.6% in turnover, 9.7% in exports, and 12% in employment**.

Since 2017, the European Commission has progressively scaled up this Initiative, nearly tripling its budget and the number of projects and programmes it supports. This growing engagement is part of the EU’s broader effort to promote stability, prosperity, and integration in the region. Strategic initiatives launched in 2024, such as the **Ukraine Facility**, the **Resilience and Growth Plan for Armenia**, and the **Growth Plan for Moldova**, provide additional assistance for private sector development by enhancing infrastructure, enabling reforms, and fostering a business environment conducive to investment.

As the region continues to navigate a complex and shifting geopolitical landscape marked by Russia’s war of aggression against Ukraine and the EU accession process, the EU remains committed to empowering entrepreneurs, strengthening institutions, and unlocking the economic potential of the Eastern Partnership countries. Through EU4Business, we are not just supporting businesses today — we are laying the foundations for a more competitive, modern, inclusive, and sustainable future.

EU4Business Initiative:

How EU supports SMEs in the EaP



About the Initiative

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

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

Armenia
Azerbaijan
Georgia
Moldova
Ukraine

EU4Business supports SMEs by

Improving access to finance

Upgrading services to business

Promoting better business regulations

Access to Finance (A2F):

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

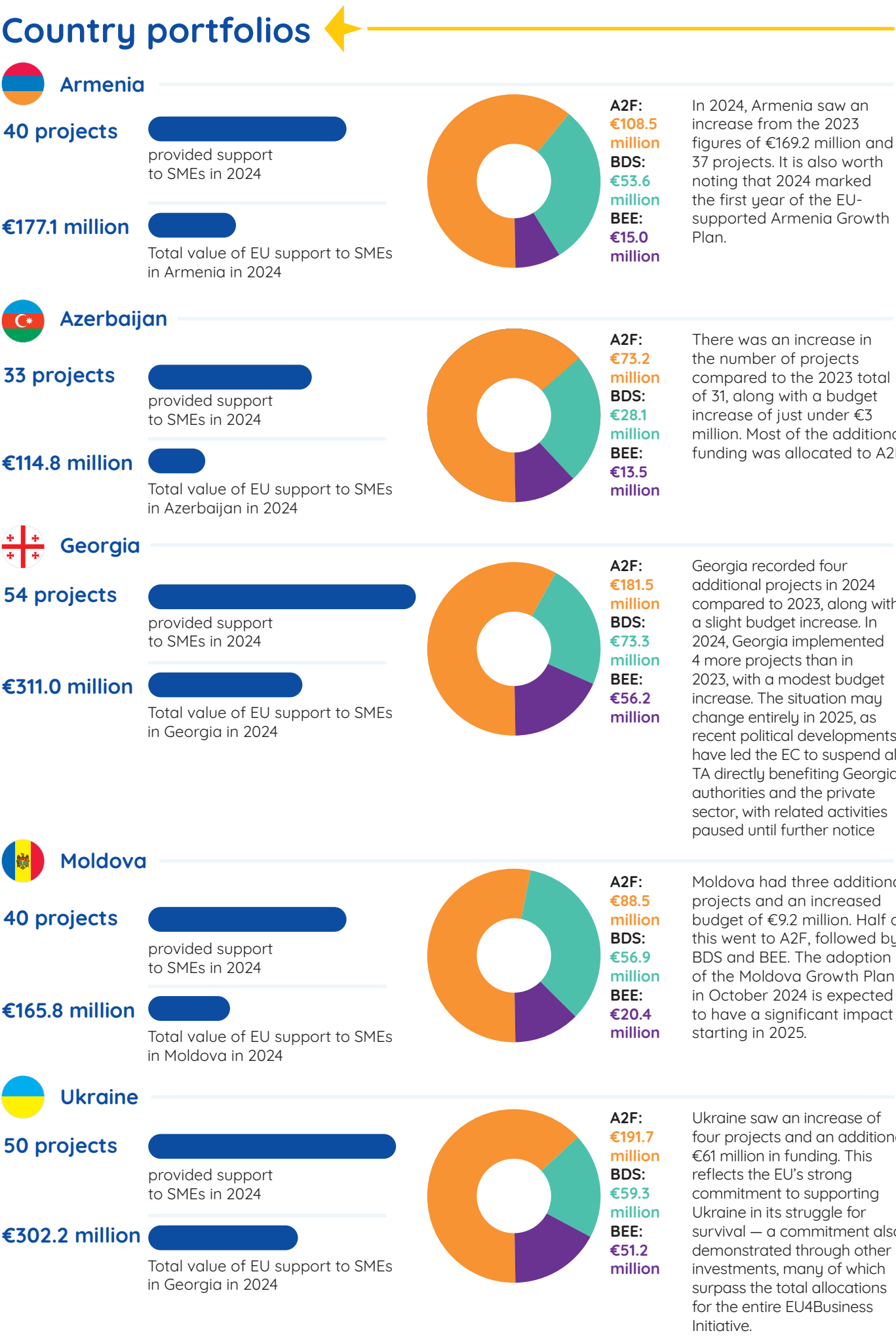
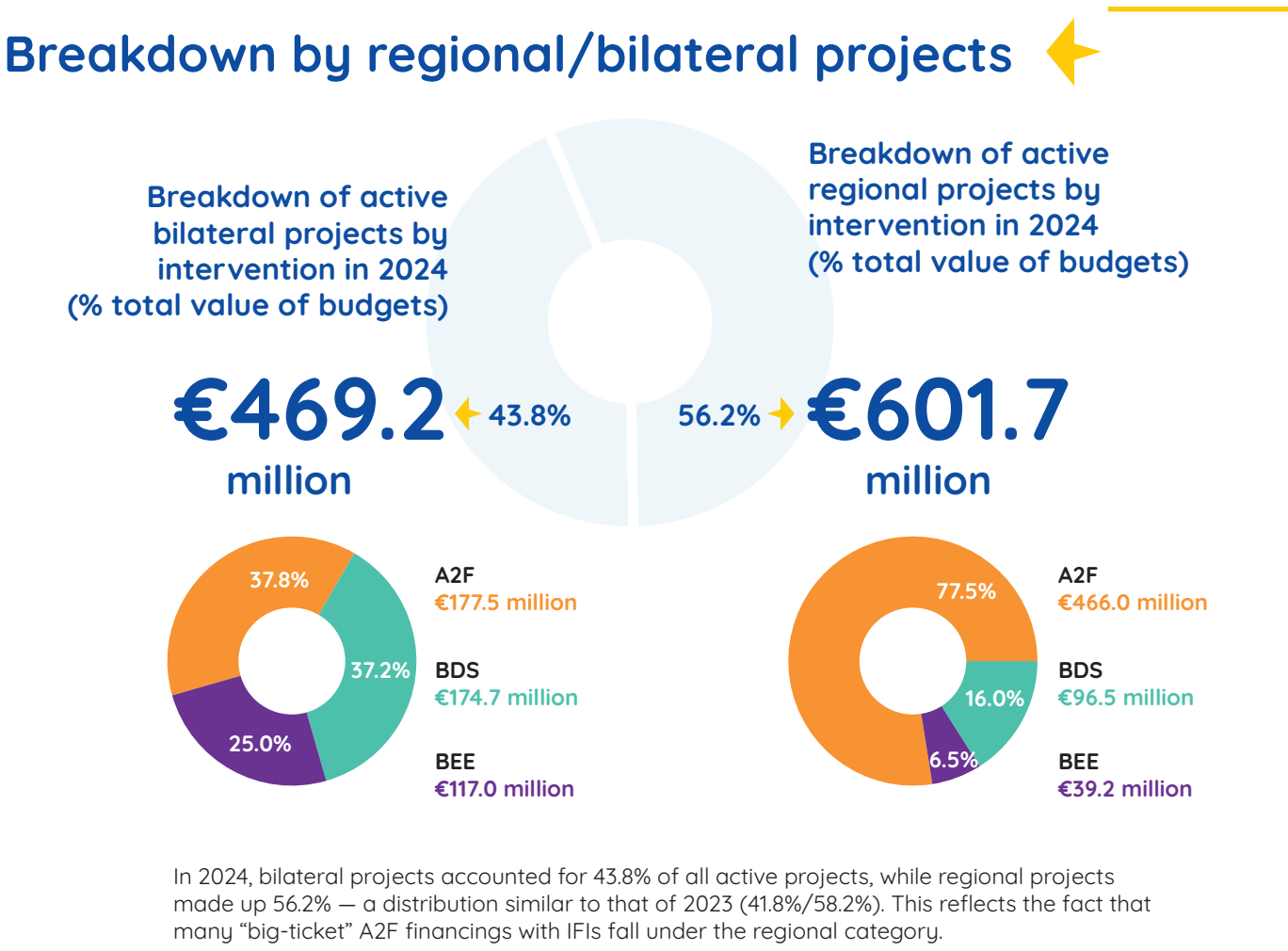
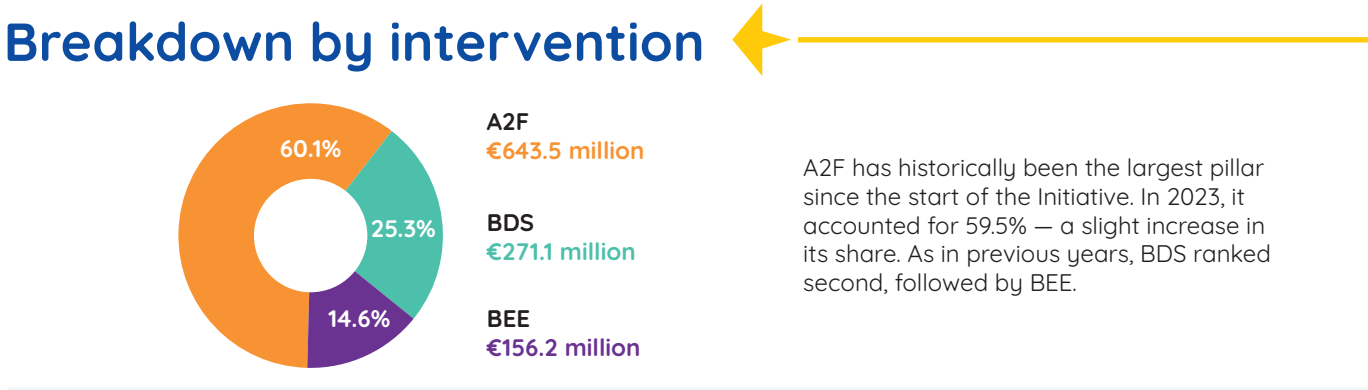
Business Development Services (BDS):

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

Business Enabling Environment (BEE):

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

EU4Business Portfolio in 2024



Overview by type of intervention

Access to Finance



An additional €74.6 million was allocated to A2F in 2024. There were substantial increases in technical assistance to PFIs and SME incentive grants. As a result, other instruments also benefited.

Success stories

Building beehives, practicing safe food production, establishing connections

Zebur Iakobadze, a traditional beekeeper from the mountainous region of Adjara, Georgia, has revived and expanded his family's honey production with the help of modern woodworking tools, allowing him to build beehives more efficiently. Supported by FAO and the EU through ENPARD and EU4Business programmes, he received a grant, training in food safety and business skills, and access to markets, which significantly improved his production and sales. Today, Zebur and his family produce high-quality honey in handcrafted beehives, sell to retailers and at farmers' markets, and continue growing their rural business.

Read full story



Types of Support Included in Access To Finance

A1	Capped Loss Recovery	This is a risk-sharing instrument in the form of a grant that the EU provides to an IFI. This grant is used by the IFI to partially cover the loss that any PFI, such as a local bank, would carry as a result of an SME not repaying part or all of its loan. This means that if an SME does not pay back the loan to the local bank, the EU grant for capped loss recovery can actually cover half of the loss of the bank. In this way, the local banks are more willing to disburse loans to SMEs, which are generally perceived as high-risk borrowers.
A2	Interest Subsidy	This instrument is a grant given by the EU to IFIs in order to lower the cost of their loans to SMEs in the EaP. The grant provides interest subsidies of up to 10%, which is applied to the regular interest rate at which the IFI lends to PFIs and further on to SMEs. The purpose of this instrument is to lower the final cost of finance for SMEs in the EaP.
A3	Targeted Assistance (TA) to PFIs	This instrument consists of consultancy services, mentoring, and specialised training provided to the local banks. It helps the local banks better understand the policies and procedures of the IFIs and improves the capacity of the local banks in their work with the SMEs.
A4	Capped Guarantees	This instrument consists of a guarantee given to IFIs in order to lower the risk of lending to SMEs via local PFIs. The guarantees reduce the need of SMEs to provide extensive collateral for loans from the local banks. These guarantees are generally capped at up to 25% of the total portfolio of the local bank and generally 70%-80% of each individual subloan.
A5	Currency Hedging Subsidy	This instrument is given to IFIs to enable them to disburse loans to PFIs (and ultimately to SMEs) in local currency as there is a risk from fluctuations in exchange rates. Due to the EU grant, the IFIs and subsequently the PFIs can offer loans in local currency to SMEs at a more competitive price, as the banks will not need to add the costs of protecting themselves from adverse changes in the exchange rates to the charges that they levy from the SMEs.
A6	SME Incentive Grants	SMEs sign a loan contract from one of the credit lines of the IFIs via the PFIs. After the loan is disbursed, there is a verification process to check if the loan was used for the purpose listed in the business plan. Once the verification report confirms compliance, a part of the loan is transformed into a grant, so that the total "cost" of financing is lowered. The most common incentive grants are between 10% and 15% of the loan value.
A7	Grants to SMEs	These grants are non-reimbursable and generally modest in value in order to support as many SMEs as possible. In general, SME grants are disbursed to target specific economic development goals such as development in rural areas, poor communities, or a response to various types of crises. These grants are usually disbursed through Non-governmental Agencies (NGOs) with links to targeted communities.
A8	Structured Funds	Typically, this involves direct loans or equity investment in a financial instrument or fund by the EU, rather than working in partnership with IFIs and PFIs. As the EU does not have the capacity to disburse direct loans to SMEs, this function is assigned to an intermediary. The most important EU investment in Direct Finance is shares in the European Fund for Southeastern Europe (EFSE).
A9	Equity	Equity is a direct investment instrument for funding SMEs by buying participation (shares) in the respective business, when it is a in the form of a company. This type of support instrument involves more risk and 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.

Business Development Services

EU support allocated to improving business development services in 2024

€271.1 million

B1	€165.3 million	Consultancy Services for SMEs
B2	€51.9 million	Capacity Building of BSOs
B3	€17.4 million	Incubators
B4	€6.9 million	Clusters
B5	€8.1 million	Trade Information
B6	€17.8 million	B2B Activities
B7	€3.7 million	Export Strategies

In 2024, allocations for BDS increased by 7% compared to 2023. Capacity building for BSOs was the second-largest beneficiary, creating a multiplier effect in the development of services for their clients — the MSMEs. There is strong demand for advisory services among MSMEs, and supporting the providers of these services remains the most cost-effective way to meet that demand.

Success stories

Digital transformation in advertising: How a Baku-based SME boosted revenue and productivity

Setline, a Baku-based advertising and design company, has grown into a trusted provider of promotional materials and event production services since its founding in 2013. But by 2022, the company faced rising challenges: fragmented workflows, duplicated tasks, and inefficiencies that slowed operations.

To tackle these issues, Setline turned to the EU4Business-funded Advice for Small Businesses programme, implemented by the European Bank for Reconstruction and Development (EBRD). With expert guidance, the company underwent a full digital transformation, introducing centralised systems and automation tools.

Within a year, turnover and labour productivity rose by 40%, while client satisfaction and cost-efficiency improved significantly. Now, Setline is looking ahead — exploring new markets and technologies to fuel future growth.

Read full story



We saw EU4Business support as an opportunity to fix inefficiencies and optimise our operations. Digitalisation has given us better control over our business and allowed us to scale faster.”

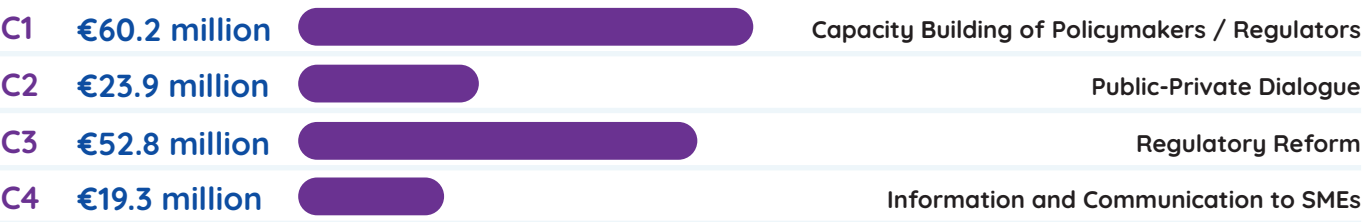
Samir Jafarov, Setline’s director



Types of Support Included in Business Development Services

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

Business Enabling Environment



BEE allocations increased by €10 million, with one-third directed toward capacity building for policymakers and regulators. Support in this area is expected to grow, particularly in Moldova and Ukraine due to EU accession efforts, and to a lesser extent in Georgia, where the government has chosen to postpone engagement with this issue.

Types of Support Included in Business Enabling Environment

C1	Capacity Building of Policymakers and Regulators	EU4Business interventions aim at strengthening the capacity of staff of various government agencies to ensure better, more transparent, and open policies and regulations that affect business, whilst ensuring appropriate controls in the five EaP countries. This can include making and amending policies, laws, and administrative procedures based on need and risk assessment. EU4Business interventions deliver direct advisory, mentoring services, and study tours to the relevant staff involved in policymaking.
C2	Public-Private Dialogue (PPD)	PPD is an instrument for more inclusive and targeted policymaking. Specifically, it involves effective consultation and collaboration between government and the private sector and/or its representatives, in order to achieve effective reform and administration of regulations that affect SMEs.
C3	Regulatory Reform	Through this instrument, EU4Business interventions support the EaP countries to improve the regulatory environment based on the best practices and to align their SME related legislations, rules, and regulations with those of the EU. Approximation occurs in all five EaP countries, but it is more intensely applied in Georgia, Moldova and Ukraine, as they are future member states of the EU.
C4	Information and Communication to SMEs	EU4Business interventions support governments to inform SMEs on reforms and implications for their business and steps to compliance with regulatory reform.

Success stories

Mykolaiv: From destruction to economic rebirth

Once a hub of Ukraine’s shipbuilding industry, Mykolaiv was devastated by war. Now, with support from the EU-funded Mayors for Economic Growth (M4EG) initiative, the city is charting a new path — one focused on innovation, sustainability, and economic resilience.

Mykolaiv’s new strategy centres on the blue economy, combining marine technology, eco-friendly production, and port logistics. With guidance from European experts and funding through programmes like EU4Business, the city is transforming abandoned industrial sites into modern business hubs and industrial parks.

With a new economic roadmap and targeted investment attraction strategies, the city is launching EU-backed competitions for green and tech solutions and supporting SMEs through grants and pilot projects.

“We’re not just rebuilding. We’re creating a modern economy designed to last.”

Oleksandr Senkevych,
Mayor of Mykolaiv

Read full story

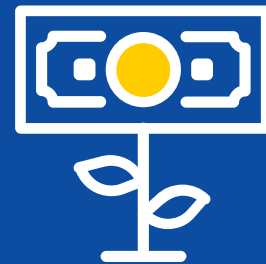


Key results 2024 at a glance



€169.5
million

was disbursed in
2024 to support SME
growth in the Eastern
Partnership



80,146 SMEs supported



35.6% women-owned/
managed
enterprises

€950.6
million extra income
generated by
EU-supported
SMEs

10.6% growth in EU-
supported SMEs'
turnover

120,763 new jobs created
in supported
SMEs

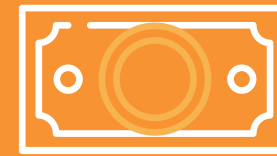
+22.6% increase in staff
amongst
EU-supported SMEs



2,517 EU-supported SMEs
engaged in exporting



9.8% increase in exports amongst
EU-supported SMEs



Access to
Finance

55,992

SMEs received loans

31.3%

women-owned/
managed enterprises

€1.9

billion
total value of loans
triggered

€44,555

average loan

48

partner financial institutions
working with EU4Business



Business
Development
Services

707

business support
organisations improved
their capacity

18,237

consultancy services
delivered to SMEs

37.0%

women-owned/managed
enterprises



Business
Enabling
Environment

310

laws, policies, regulations
and procedures reformed

6,948

government institutions
improved their capacity



EU4Business Results

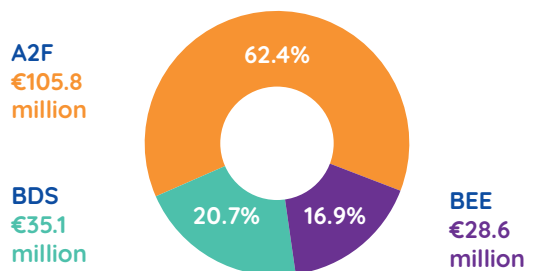
EU4Business Results in 2024

Disbursed budget

€169.5 million was disbursed in 2024 to support SME growth in the Eastern Partnership

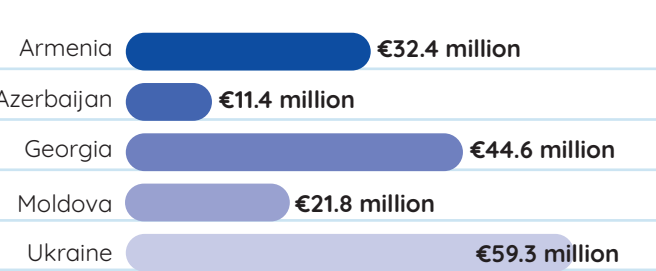
This represents a 30% increase over the €130.7 million disbursed in 2023 to support SME growth in the Eastern Partnership and demonstrates the European Union's growing commitment to supporting the business community in the partner countries.

Disbursed budget per pillar in 2024



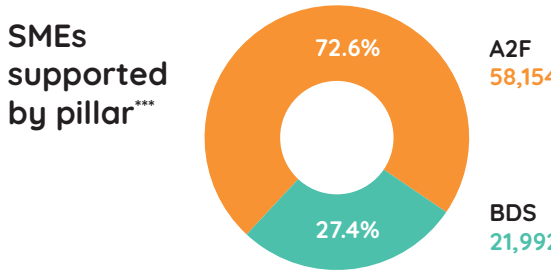
This pattern was consistent with previous years when A2F was the dominant pillar; however, the share of A2F was in fact even larger than the previous 54%, reflecting the growth of new instruments within the pillar.

Disbursed budget per country in 2024



As in 2023, Ukraine and Georgia remained the largest recipients, reflecting their status as larger economies with more developed SME sectors. In Ukraine's case, SMEs also tend to be larger than in the other partner countries.

Number of SMEs supported



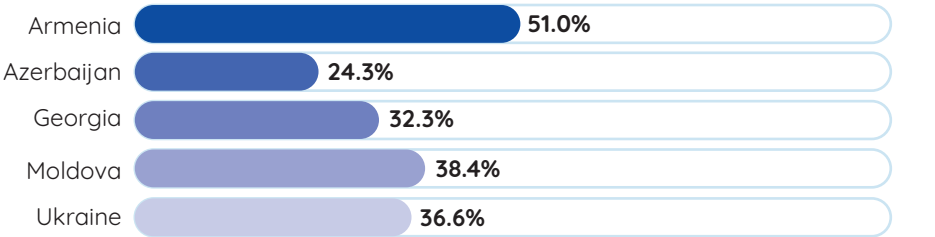
*** While improvements to the Business Enabling Environment (BEE) would support and benefit a whole range of SMEs, this has not been included in the analysis as it is difficult to exactly quantify the number of beneficiaries and the specific impact of reforms.

In 2024, the EU supported 80,146 SMEs across the Eastern Partnership — a strong result that surpasses the 2022 benchmark and reflects continued momentum in business recovery. Georgia led with more than 40,000 SMEs benefiting from support, while Ukraine, Armenia, Azerbaijan, and Moldova also saw thousands of enterprises gain access to vital resources and services. The majority of assistance (72.6%) focused on access to finance, complemented by substantial support for business development services (27.4%), reinforcing the foundations for growth, resilience, and innovation across the region.

Women in business

35.6% Share of women-owned/managed enterprises in the Eastern Partnership in 2024

Share of women-owned/managed enterprises by country

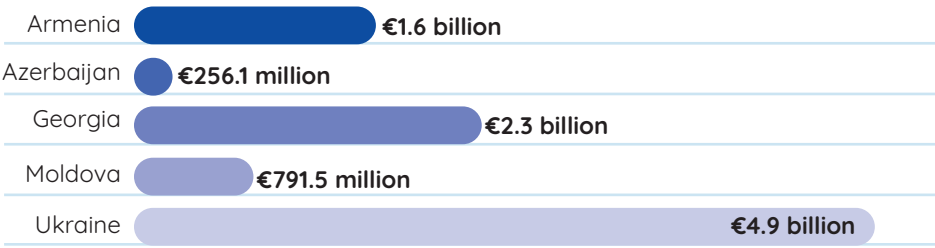


Women remain a driving force in entrepreneurship across the Eastern Partnership, leading more than one in three supported SMEs in 2024. Armenia achieved a remarkable milestone, with women owning or managing over half of all supported enterprises — the highest share in the region. While the composition of supported SMEs evolves each year, the five partner countries consistently demonstrate stronger representation of women in business leadership than many EU member states, reflecting a solid foundation for continued growth and innovation.

SME turnover

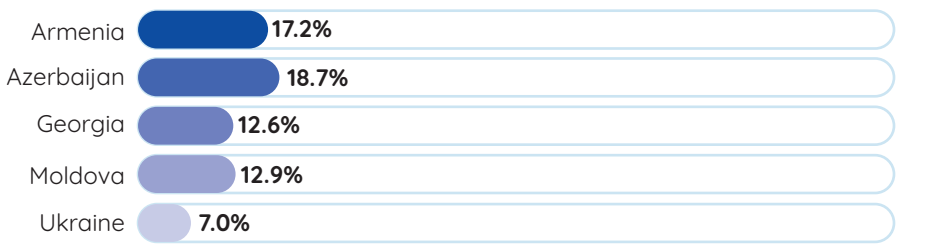
Turnover of supported SMEs **€9.9 billion**

Turnover of EU-supported SMEs by country



Increase in SMEs' turnover **10.6%** Average growth of EU-supported SMEs in 2024

Increase in SMEs' turnover by country



The total increase exceeded that of the previous year, when it reached €8.2 billion. While the increase was lower for some individual partner countries compared to 2023, Ukraine's position recovered from the previous low of +4.7%. However, increases vary significantly depending on specific sectors and businesses.

Exports ←

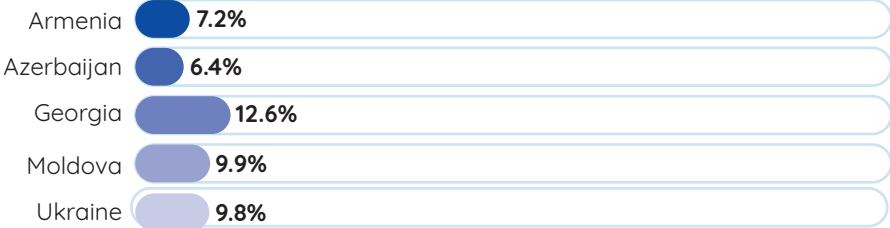
Value of exports for supported SMEs **€2.4 billion**

Value of exports for EU-supported SMEs by country



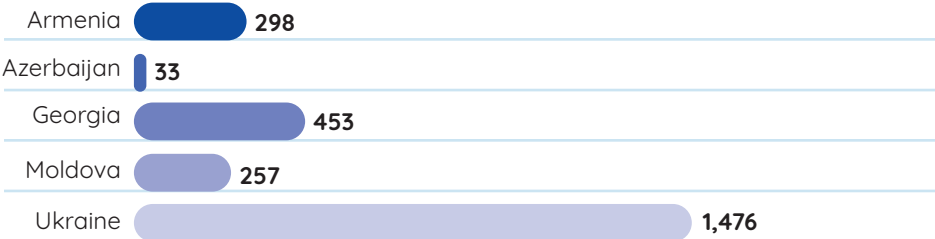
Increase in export volume **9.75%**

Increase in volume of export amongst EU-supported SMEs by country



Number of new exporters **2,517**

Number of new exporters by country

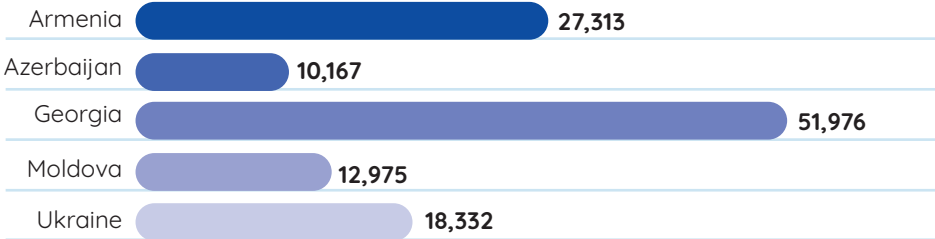


Exports by supported MSMEs doubled compared to 2023, reaching €2.4 billion in 2024 versus €1.1 billion the previous year. This growth is largely attributable to the sharp rise in the number of new exporters — nearly twice as many as in 2023 — and may also reflect stronger alignment with the EU, the region’s largest export market. Notably, nearly four times as many new exporters came from Ukraine compared to previous years, as businesses continued to shift away from traditional markets toward the EU.

Employment and job creation ←

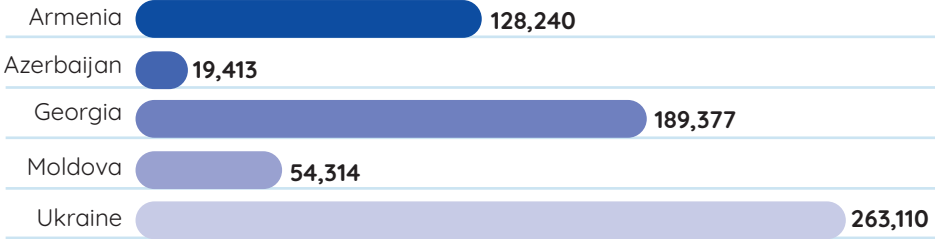
Number of new jobs created in supported SMEs **120,763**

Number of new jobs created by country



Number of sustained jobs **654,454**

Number of sustained jobs by country



EU4Business has traditionally regarded job creation and income-generating opportunities as a core objective. The figures for 2024 were substantially higher than in 2023 (79,931), with many of these jobs being sustained and long-term — approximately 100,000 more in this category. Around 80,000 of these were created in Ukraine, where a growing shortage of skilled labour is emerging due to evacuation and mobilisation.

Success stories

From garage to global:
How EU support transformed an Armenian textile brand

[Read full story](#)



Results in Access to Finance

Disbursed budget in A2F

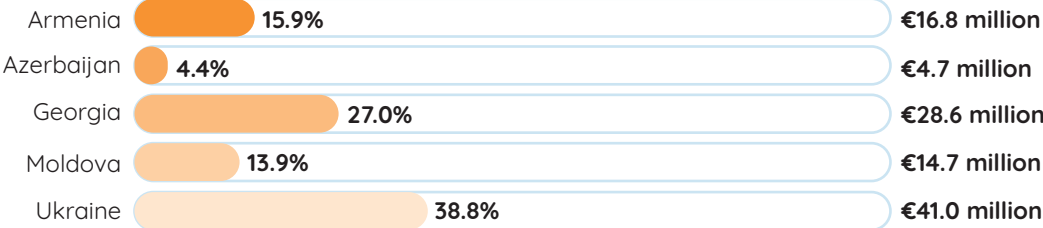
€105.8 million

EU funds disbursed for improving access to finance for SMEs in the EaP, compared to €71 million in 2023 — an increase of 49%.

62.4% of the total disbursed budget in 2024

Access to finance remains the largest component of the EU's support to SMEs, reflecting the strong demand for capital to develop the sector. The 62.4% share marks an increase from 59.5% in 2023, highlighting the continued need for business development financing and the EU's commitment to meeting this demand as much as possible.

A2F disbursed budget by country



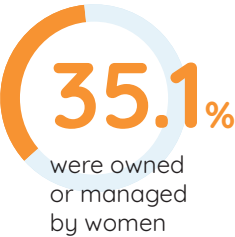
Ukraine and Georgia are the two largest recipients, reflecting the larger economies and higher numbers of SMEs overall. This pattern was similar to 2023.

Total finance offered to SMEs

58,154

SMEs benefited from access to this finance supported by the EU

32,465 in 2023



33.5% in 2023

48

local financial institutions were partners in this flow of funds, but also received support from the EU, via the IFIs, in improving their operations and management. This was slightly higher than 2023 (46 partners)

Out of the total of €105.8 million,

€75.2 million

was disbursed through International Financial Institutions (IFIs) — IFIs were able to use this to leverage around €1.9 billion that was available for financing business

SMEs received grants or loans and these were as follows:

Grants

2,162 SMEs received grants as opposed to 1,892 in 2023



€8,001 average per grant

Loans

55,992 SMEs received loans as opposed to 30,575 in 2023



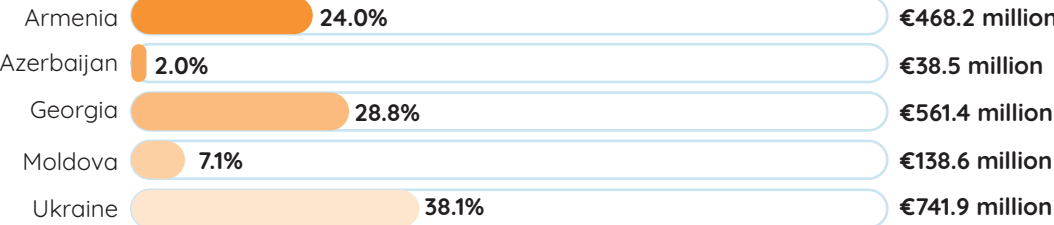
€34,800 average size of loan fell slightly, from €40,422

Loans triggered

€1.9 billion

Overall €1.9 billion loans to SMEs resulted from the financing by the EU, as this stimulated additional (non-EU) funding.

Loans triggered by country



The ranking of the five partner countries changed little from 2023. However, Ukraine's share declined, although new sources of financing for Ukraine emerged outside of EU4Business.

SMEs supported by type of A2F instruments

	Instrument title	Number of SMEs supported	Percentage
A1	Capped Loss Recovery	9,400	16.2%
A4	Capped Guarantees	8,175	14.1%
A5	Currency Hedging Subsidy	6,706	11.5%
A6	SME Incentive Grants	4,190	7.2%
A7	Grants to SMEs	2,162	3.7%
A8	Structured Funds	27,509	47.3%

Most SMEs benefitted from access to structured funds, guarantees and currency hedging to protect them from changes in exchange rates. But grants were also important, being a key source of finance for capital investment. This was broadly the same pattern as in 2023.

Success stories

New attraction for kids opens in Ungheni with the EU4Business support

Anatolie Cladicov received €14,000 financial assistance through the programme "EU4Moldova: Focal Regions", funded under the EU4Business initiative of the European Union. He used the support to install a carousel at his seasonal children's entertainment park in Ungheni, transforming it into a regional attraction and creating new jobs.

[Read full story](#)





The Ukraine Investment Framework, the investment arm of the Ukraine Facility

The Ukraine Investment Framework (UIF) is Pillar 2 of the EU's €50 billion Ukraine Facility, which supports Ukraine's economic recovery, development, and integration with the European Union. Backed by €9.3 billion in guarantees and grants, the UIF aims to mobilise up to €40 billion in public and private investment for Ukraine's recovery and reconstruction. It focuses on enhancing investments in key reconstruction sectors such as infrastructure, renewable energy, digital innovation, agri-business, infrastructure, and advanced manufacturing.

Delivering impact for Ukraine's recovery and reconstruction

Since its launch in June 2024, the UIF has become a cornerstone of the EU's support for Ukraine's recovery and reconstruction, delivering tangible and impactful results. To date, the EU has committed €5.7 billion under the UIF, mobilising a total of €18 billion in investment for recovery and reconstruction, achieving 60% of its total capacity.

At the Ukraine Recovery Conference (URC) in Berlin in June 2024, the European Commission signed first investment programmes under the UIF. These amounted to EUR 1.4 billion in guarantee and grant agreements designed to support Ukraine's recovery and reconstruction. These agreements directly benefit private companies, including small and medium-sized enterprises, municipalities and Ukrainian state-owned enterprises. In total, the supported programmes aim to unlock €6 billion in investments.

This initial set of investment programmes is already making a difference for the Ukrainian people. The EU, collaborating with partners such as the European Bank for Reconstruction and Development (EBRD) and the German and Polish Development Banks (KfW and BGK), is supporting Ukraine's reconstruction and recovery across vital sectors. This ranges from restoring the

energy grid to keep the lights on, to helping war-affected businesses sustain the local economy, and enabling major foreign direct investment to expand digital connectivity for millions of Ukrainians.

In March 2025, the EU signed a dedicated guarantee with the European Investment Bank (EIB) enabling €2 billion in financing for public investments. This is part of the EIB Dedicated Window under the UIF, and contributes to the goal of having at least 25% of the guarantee capacity invested by the EIB Group by 2025 in Ukrainian sovereign entities and non-commercial sub-sovereign entities.

In June 2025, the UIF Steering Board approved a major package of new agreements for official signing at this year's Ukraine Recovery Conference (URC). This package totals €2.3 billion, with the potential to unlock up to €10 billion in additional investments. These new investments will play a critical role in supporting Ukraine's private sector, from small, war-affected businesses to large corporations involved in strategic foreign direct investment. They will also strengthen municipal infrastructure, promote innovative green and energy projects, and enhance critical infrastructure and social impact initiatives.

Mobilising the private sector for Ukraine's reconstruction

Opportunities are growing across sectors like renewable energy, digital innovation, agribusiness, infrastructure, and advanced manufacturing. European business can play a vital role, serving both Ukrainian and European interests. The Rapid Damage and Needs Assessment (RDNA4) estimates that the private sector could cover a third of the over \$500 billion in reconstruction needs.

With the support of the UIF and with Ukraine's alignment with EU standards, the business environment is increasingly becoming open and attractive for responsible investment. The reform process tied to Ukraine's EU accession agenda is also fostering a more transparent and rules-based economy, which helps build investor confidence and long-term partnerships.

To encourage more EU companies to participate in Ukraine's reconstruction efforts, the European Commission issued Calls for Expressions of Interest from EU and Ukrainian businesses interested in investing in Ukraine. This call serves as an implementation tool for the UIF, allowing companies to submit their investment projects of €50 million or more directly to the Commission. The first call closed in March 2025 and generated significant interest from EU business community, with over 100 investment proposals received. The most mature proposals that best align with Ukraine's strategic priorities will be recommended to partner Eligible Financial Institutions (EFIs) for financing. A second call is now open, with a submission deadline of 25 October 2025. Ukrainian companies are also eligible.



EU Integration and sustainable economic recovery

The Ukraine Investment Framework is focused on sustainable recovery and reconstruction, as well as Ukraine's long-term integration into the EU. Ukraine's recovery presents a strategic opportunity for Europe. The Ukraine Investment Framework makes this opportunity tangible and investable today. By accelerating recovery, supporting reform, and deepening integration, the EU is not merely helping Ukraine rebuild – it is shaping the future of Europe.

¹ Including companies based in the European Economic Area.

² https://enlargement.ec.europa.eu/european-neighbourhood-policy/countries-region/ukraine/ukraine-investment-framework/call-expressions-interest-eueea-and-ukrainian-businesses-invest-ukraine_en

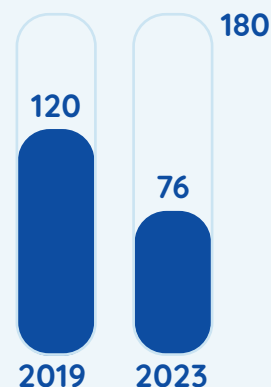
Moldova Growth Plan: The path to European integration

The integration of Moldova into the European Union offers profound opportunities for the country — access to the single market, pre- and post-accession funding, and vital structural support to accelerate modernization efforts. Overall, this could reduce Moldova's infrastructure gap and cause an increase in foreign direct investment. And beyond economic gains, EU support drives crucial institutional reforms in Moldova, enhancing its public administration capacity and providing a framework for addressing corruption and strengthening the rule of law — a key challenge since Moldova gained independence.

Since the start of Russia's full-scale invasion of Ukraine, the impact of European Union integration on Moldova's economy has been particularly profound. The country has intensified its EU convergence drive, which encompasses several critical areas of transformation, focused mainly on judicial reform, anti-corruption measures, economic growth, and energy market liberalisation and connectivity.

EU convergence has necessitated substantial governance reforms in Moldova. Alignment with EU standards has led to improvements in public administration, anti-corruption measures, and enhanced independence of the judiciary. Moldova's progress in these areas is evident from its rise in the [Corruption Perceptions Index](#) — from 120th in 2019 to 76th in 2023. Such reforms are essential for creating a stable and attractive environment for foreign investment.

Moldova's progress in the Corruption Perceptions Index



Moldovan initiatives

To invigorate its economically vital SME sector and boost its export potential, the government in 2023 launched Programme 373, which has been instrumental in bolstering Moldova's SMEs.

As of May 2025, the programme had facilitated over

MDL 4 billion
appr. €208 million
in investments

benefiting **707 companies**

creating **2,000+ jobs**

This initiative offers advantageous loan conditions, with a maximum loan amount of MDL 40 million (appr. €2.08 million) and up to 80% loan guarantees through a [Credit Guarantee Fund](#).

As a result of these and other targeted initiatives, and with great support from the international donor community, Moldova has seen a notable increase in exports to the EU, which has become its largest trading partner. The DCFTA-led trade liberalization process with the EU has enabled Moldovan products to access European markets with reduced tariffs, fostering economic growth. This trade relationship is crucial for Moldova's agricultural sector, which makes up a significant part of the country's economy.

To secure reliable energy supplies, Moldova recently further integrated its energy market with EU through connecting its electricity grid with Romania, and further synchronizing it with the ENTSO-E grid system. The country has also begun investing in renewables and gas interconnectors, with the aim of reducing its dependency on Russian sources. On the legislative side, as a member of the EU Energy Community Moldova will speed up the process of its convergence with EU energy legislation.

EU integration — the key rationale behind the Growth Plan

Moldova's rapid integration into the EU framework has opened up avenues for increased investment and financial assistance. In order to enhance the relationship and further anchor Moldova's future in the EU, the [Moldova Growth Plan](#) was created. The Growth Plan aims at bolstering Moldova's economy while facilitating necessary reforms for EU integration and promoting economic development.

In economic terms, the Moldova Growth Plan is intended to address Moldova's ongoing economic challenges. After suffering a sharp decline in 2022, Moldova's economy recovered very slightly, growing by just below one percent in 2023, and similarly sluggish performance followed throughout 2024. Exports were also greatly affected, significantly decreasing both in 2023 and 2024. When combined with high inflation, this economic downturn resulted in a sharp decrease in living standards for the great majority of the population and diminished public support for EU integrational processes.¹

What results will the Growth Plan produce?

With the targeted introduction of €1.9 billion envisaged by the Moldova Growth Plan, it is estimated that as a result, Moldova's GDP could double over the next decade. In close coordination with the Government of Moldova, the funds will be also focused on infrastructure, road improvement, bridges that connect Moldova with its neighbours, and the construction of new power lines to significantly increase electricity imports from the EU. Great emphasis will be placed on improving access to financing in support of family-run SMEs, in conjunction with improvements to regional social infrastructure to further advance regional economic and social development. Investments in renewable energy and digitalisation, which are also supported under the plan, are intended to enhance Moldova's competitiveness and attract FDI.

Finally, the Growth Plan will also incorporate an energy package, providing for a complex action plan for the next two years aimed at increasing the resilience and energy independence of the Republic of Moldova. This plan also contains a financing strategy — including grants, loans, and technical assistance.⁴

What support will the EU provide under the Plan?

Under the [Growth Plan](#), Moldova is set to receive €1.9 billion in financial support between 2025 and 2027. This includes €385 million in non-repayable grants and €1.5 billion in preferential loans.

These funds are intended to support Moldova in implementing key reforms tied to its EU accession requirements, advance Moldova's economic alignment with the EU, and reduce its energy dependence on Russia. EU financial support under the Moldova Growth Plan is conditioned on the successful implementation of 56 reforms and 153 specific actions, structured on seven essential pillars, which are aimed at accelerating the process of accession to the European Union, boosting economic competitiveness, and improving the standard of living of Moldovan citizens.² The pillars, which reflect the country's strategic priorities, are: economic competitiveness and supporting the private sector, connectivity and digital infrastructure, economic governance, social capital, green transition and natural capital, energy security and efficiency, and fundamental values. The first tranche of €300 million is to be released shortly.³

This support package, the largest amount of EU financial assistance Moldova has ever received, is designed to further promote economic recovery and support large-scale investments in social infrastructure such as hospitals and schools.

¹ https://thedocs.worldbank.org/en/doc/9a4979b9cb56380179f7be177ed17dc66-0080012024/original/Moldova-MEU-English.pdf?cid=eca_fb_moldova_en_ext#:~:text=Selected%20monetary%20indicators%20and%20CPI,sharp%20decrease%20in%20newconstructions%20works

² <https://gov.md/ro/comunicate-de-presa/guvernul-aprobat-agenda-de-reforme-pentru-anii-2025-2027>

³ <https://ipn.md/en/moldova-could-soon-receive-first-tranche-of-e300m-within-growth-plan/>

⁴ <https://gov.md/ro/comunicate-de-presa/planul-de-sporire-securitatii-energetice-si-proiectele-prioritare-de>



Armenia's Resilience and Growth Plan: Building a Stronger Future

Armenia's economy has a positive outlook despite facing multiple challenges in recent years. Real GDP growth was expected to reach about 6% in 2024, driven by strong domestic demand, and then moderate to about 5% in 2025. Over the medium-term growth is projected to slow to around 4.5%, though it could increase through accelerated structural reforms.

Inflation is projected to remain below the Central Bank of Armenia's target in the short term, gradually rising to its target over the medium term. The country also continues to have strong external and financial sector buffers.¹

To support sustainable and inclusive growth, it will be important to advance structural reforms. Continued efforts to boost labour market participation, particularly among youth, women, and vulnerable groups, are crucial. Other critical reforms include diversifying exports, improving the business environment, strengthening governance, and advancing climate policy implementation to enhance economic resilience and increase potential growth.

Major drivers of growth in 2024 included strong performance in construction, trade, the financial sector, and manufacturing, along with a booming tourism sector that boosted service exports.

Since the signing of the EU-Armenia Comprehensive and Enhanced Partnership Agreement (CEPA) in 2017, Armenia's relationship with the European Union has made significant progress, especially as the country seeks to diversify its foreign policy and strengthen its ties with the West. This framework also initiated a visa liberalisation dialogue aimed at helping Armenia achieve a visa-free regime for short stays in the EU, provided that the necessary conditions are put in place.²

As a result of deepening ties and Armenia's sharpening focus on further cooperation with the EU, bilateral economic relations with EU member states have noticeably expand-

ed. According to the Armenian Ministry of the Economy, Armenian exports to 14 EU countries increased significantly in 2024. These countries include France, Italy, Belgium, Poland, Austria, Romania, Czechia, Croatia, Portugal, Slovakia, Latvia, Lithuania, Malta, and Slovenia.³

At the same time, Armenia has been actively pursuing a digital transformation agenda, recognizing the significant role of digital technologies in driving economic growth, improving public services, and fostering innovation. The country has a robust IT sector and has made considerable progress in e-governance.⁴

Armenia is also quickly becoming a major innovation hub, particularly in the high-tech sector, earning it the nickname "Silicon Mountain." This growth is driven by a combination of factors, including a strong tradition of mathematics and science education, a resourceful diaspora, and government initiatives that support a thriving tech ecosystem.⁵

To support these deepening bilateral ties and the ongoing socio-economic reform process in Armenia, European Commission President Ursula von der Leyen announced the Resilience and Growth Plan for Armenia ("The Plan") on 5 April 2024, in presence of Prime Minister Nikol Pashinyan. This support package is designed to advance the new, ambitious Partnership Agenda between the EU and Armenia, fulfilling the European Council's October 2023 mandate to strengthen relations in all areas.

The Plan provides **EUR 270 million in assistance** for the country **from 2024 to 2027** to support Armenia's reform path, leverage large-scale investment, and boost resilience. While it differs from the Reform and Growth Facilities for the five Western Balkans, Ukraine and Moldova⁶ – which are tailored for enlargement negotiations – the Plan represents a mutual political commitment to advance socio-economic and fundamental reforms to spur growth and convergence with the EU.

¹ <https://www.worldbank.org/en/country/armenia/overview#3>

² https://enlargement.ec.europa.eu/news/eu-and-armenia-launch-visa-liberalisation-dialogue-2024-09-09_en

³ <https://www.1lurer.am/en/2025/01/20/Armenia-s-exports-to-14-EU-countries-registered-a-significant-increase-in-2024-Economy-Ministry/1252166?hl=en-US#:~:text=Armenia's%20exports%20to%2014%20EU,Economic>

⁴ <https://eufordigital.eu/armenias-tech-evolution-2025-market-insights-industry-trends/#:~:text=As%20Armenia%20cements%20its%20status,vital%20in%20sustaining%20this%20momentum>

⁵ <https://evnreport.com/creative-tech/armenias-tech-sector-in-2025/>

⁶ European Commission 2024 Enlargement Package

➤ The Plan is articulated around three strategic priorities, which will be backed by assistance measures and/or investments:

1. Investing in connectivity and business

This includes economic diversification to boost EU-Armenia trade, promote regional connectivity (in line also with Armenia's "Crossroads of Peace" initiative), and invest in the country's energy independence.

2. Bringing Armenia closer to the European Union

The EU will support Armenia's structural reform path toward visa liberalisation and alignment with EU standards and regulations. This will make travel, business exchanges and person-to-person contacts easier in a secure and well-managed environment. It will also facilitate further regulatory alignment with the EU across many sectors.

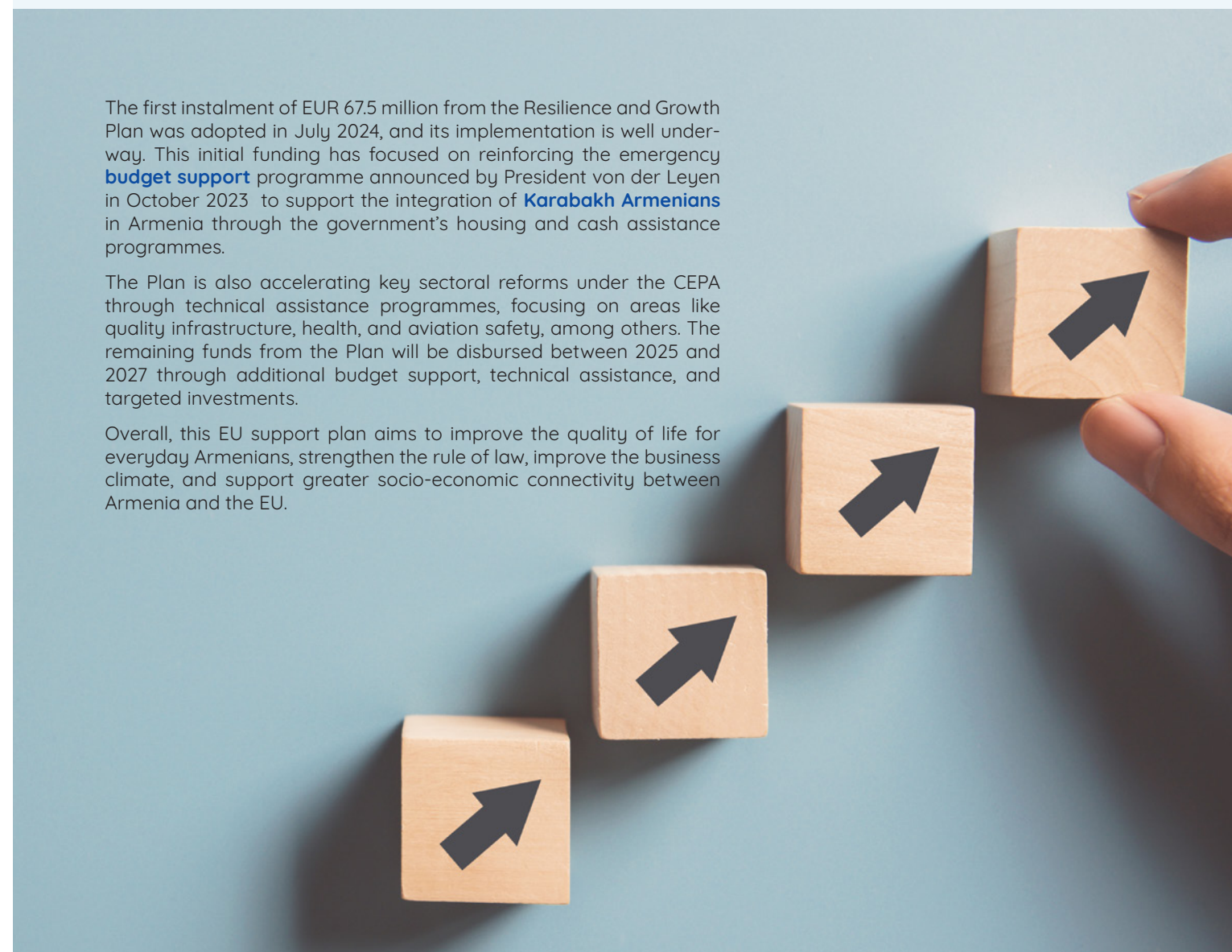
3. A resilient and inclusive Armenian society

Armenia faces various structural challenges. Reforms in education and the labour market, as well as helping vulnerable groups like Karabakh Armenians, are crucial. The Plan aims to support these reforms while also boosting the resilience of the broader Armenian society by fighting disinformation and assisting civil society.

The first instalment of EUR 67.5 million from the Resilience and Growth Plan was adopted in July 2024, and its implementation is well underway. This initial funding has focused on reinforcing the emergency **budget support** programme announced by President von der Leyen in October 2023 to support the integration of **Karabakh Armenians** in Armenia through the government's housing and cash assistance programmes.

The Plan is also accelerating key sectoral reforms under the CEPA through technical assistance programmes, focusing on areas like quality infrastructure, health, and aviation safety, among others. The remaining funds from the Plan will be disbursed between 2025 and 2027 through additional budget support, technical assistance, and targeted investments.

Overall, this EU support plan aims to improve the quality of life for everyday Armenians, strengthen the rule of law, improve the business climate, and support greater socio-economic connectivity between Armenia and the EU.



⁷ Joint Statement by European Commission President Ursula von der Leyen and Armenian Prime Minister Nikol Pashinyan, 5 October 2023

Results in Business Development Services

Disbursed budget in BDS

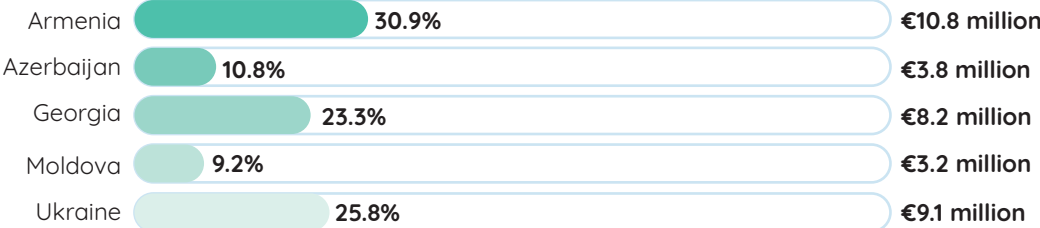
€35.1 million

EU support disbursed to improve the skills of SMEs in the EaP, only slightly down from 2023

20.7% of the total disbursed budget in 2024, although the share of budget previously was 24.1%

SMEs demonstrated strong demand for business development services, which supported their growth from inception through to maturity.

BDS disbursed budget by country

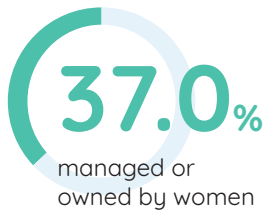


While SMEs in Armenia were the primary users, Ukraine and Georgia also benefited significantly. However, cross-country comparisons may not fully reflect actual demand, as SMEs access these services based on specific needs rather than on a continuous basis.

SMEs supported with BDS

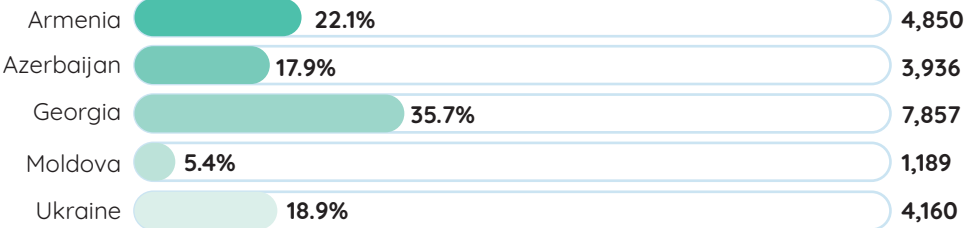
21,992

in 2024 fell from 34,779 in 2023 as many more may have been supported indirectly via BSOs



*some benefitted from more than one service type

SMEs supported in skills development by country



SMEs supported by type of A2F instruments

	Instrument title	Number of SMEs supported	
B1	Consultancy Services for SMEs	18,237	82.9%
B3	Incubators	2,100	9.5%
B4	Clusters	479	2.2%
B6	B2B Activities	1,176	5.3%

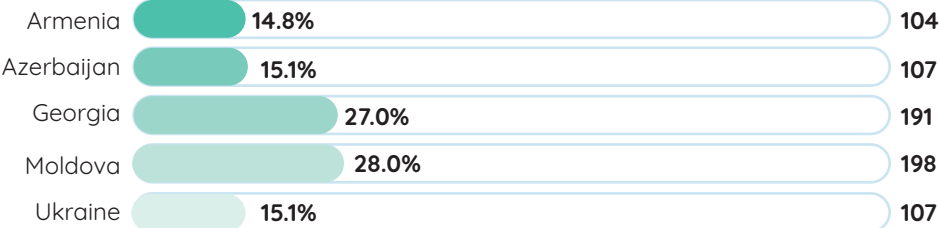
Consultancy services have historically been the most popular among SMEs, and this trend continued in 2024.

Supported BSOs

707 BSOs were supported

BSOs are key intermediaries delivering services to SMEs, so the EU support to them is a way of reaching more SMEs than would be possible via a direct approach. Also, by supporting BSOs, the EU builds up the capacity of the partner countries to assist SMEs.

Supported BSOs by country



Success stories

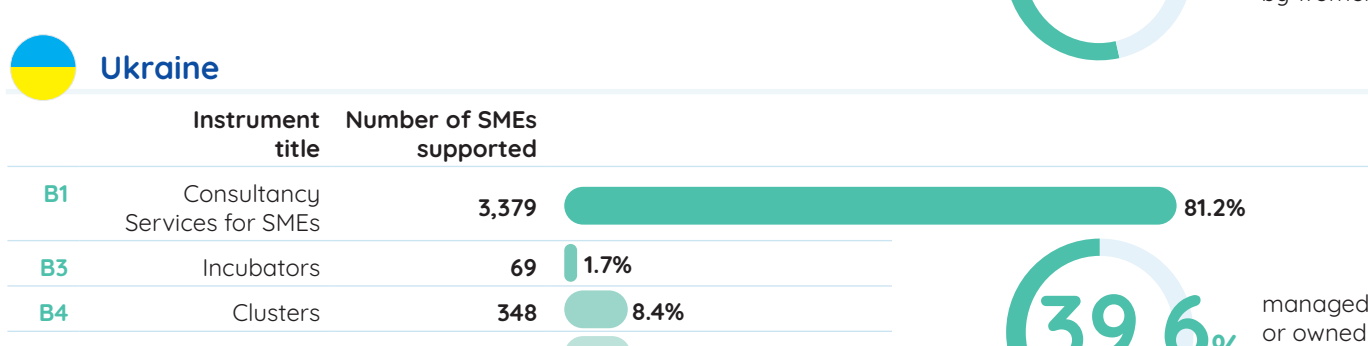
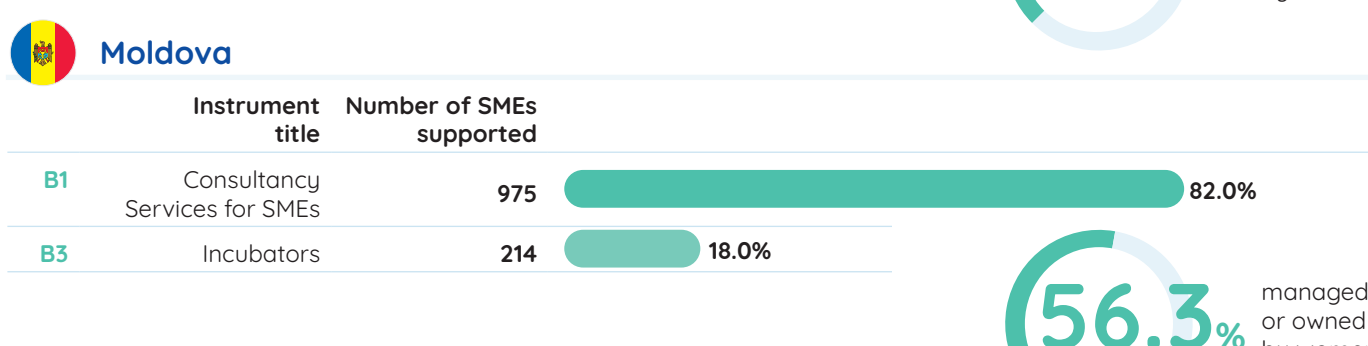
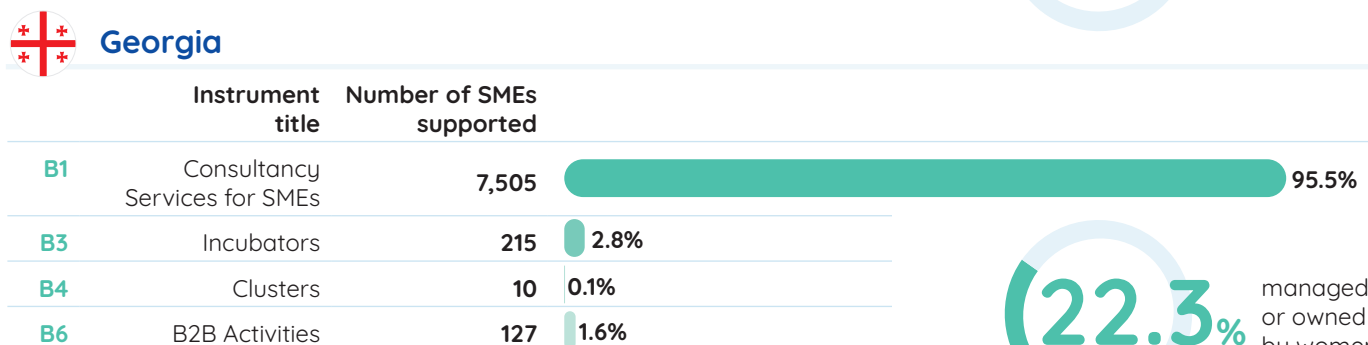
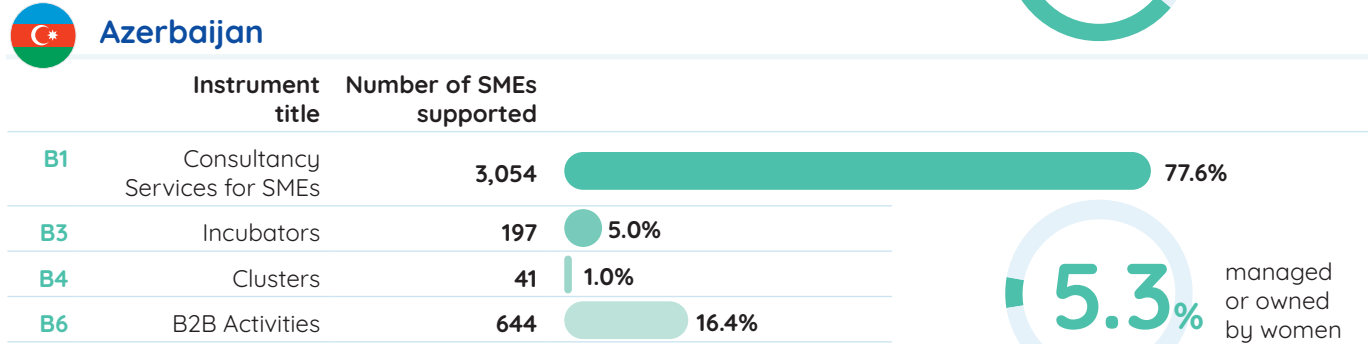
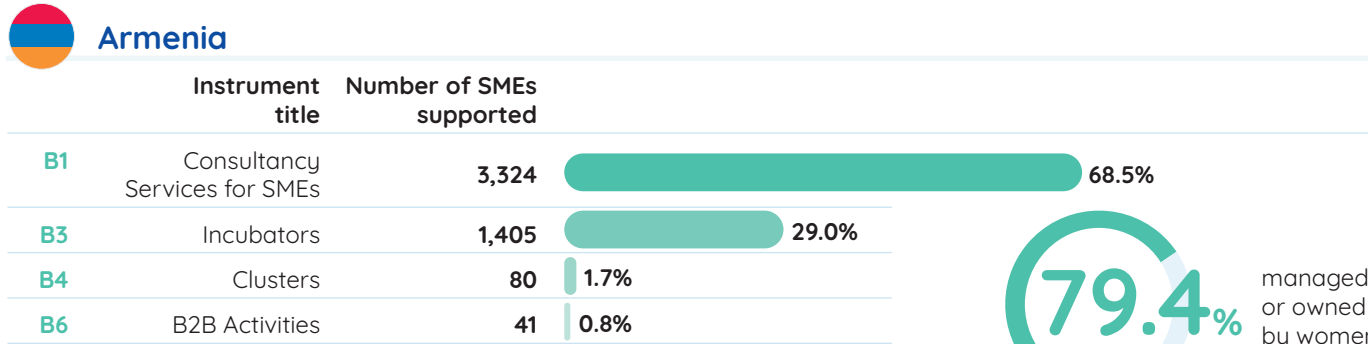
EU4Business strengthens the Georgian Tourism Association

Read full story



SMEs supported by BDS Instruments by country

The table below shows which services were most in demand in each country. General consultancy for SMEs was by far the most requested type of support across all five countries.



Digital transformation in the Eastern Partnership

We would like to acknowledge EU4Digital for their insightful contributions to this article.

EU4Digital

Digitalisation policies in the Eastern Partnership (EaP) countries, heavily supported by the European Union through initiatives like EU4Digital, continued to be a key focus in 2024. The overarching goal is to foster stronger economic and political relations with the EU, promote digital transformation, and build resilience in the region.

The digitalisation drive in the Eastern Partnership (EaP) region in 2024 represents a critical component of the broader European Union strategy to foster resilience, stability, and prosperity in its neighbourhood. Key achievements to date include advancements in digital infrastructure, with notable progress in broadband connectivity, as well as the active development of ICT innovation ecosystems and e-governance solutions.

Efforts to digitalise businesses and enhance human capital through digital-skills development are continuously gaining momentum in the region. Sustained, coordinated efforts, coupled with strategic investments in policy alignment, infrastructure, and human capital, are imperative to secure an inclusive and resilient digital future for the Eastern Partnership countries and their deeper integration with the European Union.

At the same time, digitalisation efforts across the region are seen as a significant avenue for boosting economic growth, increasing the competitiveness of local businesses and serving as an engine to create new jobs. Digital public services drive the efficiency and accessibility of government services for citizens, while at the same being a major enhancer of transparency. Digital-friendly regulatory regimes foster ICT innovation and support start-up ecosystems, driving economic diversification and creating new business models.

Innovative EaP digitalisation developments

Armenia’s digital transformation strategy

Noting the immense opportunities offered by enhanced digitalisation, Armenia has enacted its [Digitalisation Strategy of Armenia for the period 2021-2025 \(DSA\)](#), which acts as a strategic framework fostering a comprehensive digital transformation under three strategic goals that extend across i) public administration, ii) the economy, and iii) society at large. The DSA aims to address several key facets of **digital transformation, emphasising efficiency, transparency, and data-driven practices in public administration.**

To further institutionalise its digitalisation processes, Armenia established the [Ministry of High-Tech Industry \(HTI\)](#) which is now the primary body responsible for the country’s digitalisation efforts, overseeing the development and implementation of digital infrastructure and promoting innovation. This centralised approach aims to improve governmental processes through digitalisation, ensuring efficiency, transparency, and accessibility and to further integrate digital technologies into various sectors of society, enhancing both public and private services.

On 1 January 2024 the digitalisation department of the HTI introduced an **online public service delivery system** that is carried out exclusively through the EsEm national identification platform. The [EsEm platform](#) will provide access to strong digital identification technology solutions in Armenia, based on identification cards, mobile phones and smart devices, and built on the internationally accepted OpenID Connect identification protocol.

Moldova’s ambitious digital initiatives

Moldova, seeing digitalisation efforts as a driver of economic growth, in 2024 also continued to pursue ambitious digitalisation initiatives, aligning its efforts with the European Digital Decade targets and its overall goal of European integration. The Republic of [Moldova Digital Transformation Strategy \(MDTS\)](#), adopted in September 2023, is guiding these efforts, with the aim of introducing a fully digital society, economy, and public administration by 2030.

To achieve its goals, the Ministry of Economic Development and Digitalization of Moldova has launched the [EVO App](#), which serves as a “one-stop shop” mobile application for all of Moldova’s digital public services. Efforts are being made to improve digital literacy and increase inclusion, which Moldova sees as an integral part of basic literacy education, ensuring all citizens have access to affordable internet and smart devices, and that they have the ability to use digital technologies.



Georgia's efforts to bridge the digital divide

Georgia is also **addressing digital inequality**, particularly in rural areas. It has pursued the [Log-in Georgia Project](#) and [Digital Adoption Programme \(DAP\)](#). These initiatives aim to bring high-quality internet access to up to 1,000 villages and 500,000 citizens, particularly in rural and mountainous areas. This aligns with [Georgia's National Broadband Development Strategy \(2020-2025\)](#) and is co-financed by the World Bank and European Investment Bank.

Simultaneously, [Rural Empowerment Through Digital Inclusion \(REDI\)](#), an EU-supported project (2023-2027) implemented by Estonia and Poland, is focusing in Georgia on **enhancing connectivity and boosting digital literacy** for vulnerable groups, SMEs, and rural communities by establishing digital centres and fostering digital skills in up to 200 villages.



Azerbaijan's comprehensive digital transformation agenda

Azerbaijan is also actively pursuing a comprehensive digital transformation agenda, with numerous programmes and initiatives in place for 2024 and beyond. These efforts aim to enhance e-governance, boost the digital economy, improve digital skills, and integrate advanced technologies across various sectors.

In support of its developing SME sector, Azerbaijan introduced its [Small and Medium Business Digitalisation Pro-](#)

[gramme](#), launched in collaboration with the Innovation and Digital Development Agency (IDDA) and the Small and Medium Business Development Agency (KOBIA). This programme aims to **support SMEs by promoting digitalisation**, enhancing their efficiency, competitiveness, and market reach. At the same time, the [digiMATE](#) platform, launched in August 2024, serves as a centralized resource to accelerate the digital development of SMEs.



Ukraine's digital resilience amidst war challenges

Ukraine has made remarkable strides in its digitalisation efforts, especially in 2024, continuing to leverage technology for governance, economic resilience, and even **wartime adaptation**. The Russia's war against Ukraine has underscored the strategic importance of digital transformation for continuity of governance, national resilience, defence, and economic stability. Ukraine's approach is characterised by innovation under fire, a strong focus on e-governance, a thriving IT sector, and deep international partnerships.

The [Diia mobile app](#) remains at the forefront of Ukraine's digital transformation, with over **20 million users and more than 140 digital services** by early 2025. It continues to expand its offerings, including new documents like educational certificates, veteran IDs, and marriage/divorce records. Its digitalisation efforts make democratic mechanisms more accessible, broaden participation, and enhance transparency by bypassing bureaucratic bottlenecks.

As of today, Diia offers **access to over 130 government services**, including paying taxes, applying for subsidies, and registering as entrepreneurs. The goal is to make all state-person interactions available through Diia.

To achieve that goal, in 2024 Diia continued to expand its services, which now include [Employee Mobilisation Booking](#). These new rules facilitate the calculation of the quota of conscripts, allowing enterprises to reserve employees more simply through the Diia portal. Since 1 December 2024, all reservations have been made exclusively through Diia. Ukraine also became the **first country in the world** to offer legal online marriage ceremonies via Diia, which are particularly beneficial for military personnel. This service was even recognized in Time's Inventions of 2024 list.

On the business side, Diia in July 2024 launched the [Pulse](#) platform, a system developed by the Ministry of Economy of Ukraine to **collect feedback from businesses** about their interactions with government services. It acts as a tool for businesses to provide feedback on the quality of public services and for the government to track satisfaction levels and identify areas for improvement. The platform is designed to foster transparent and effective communication between the state and businesses, and since its inception it has already gathered over 60,000 queries on issues related to bureaucracy and digital services.



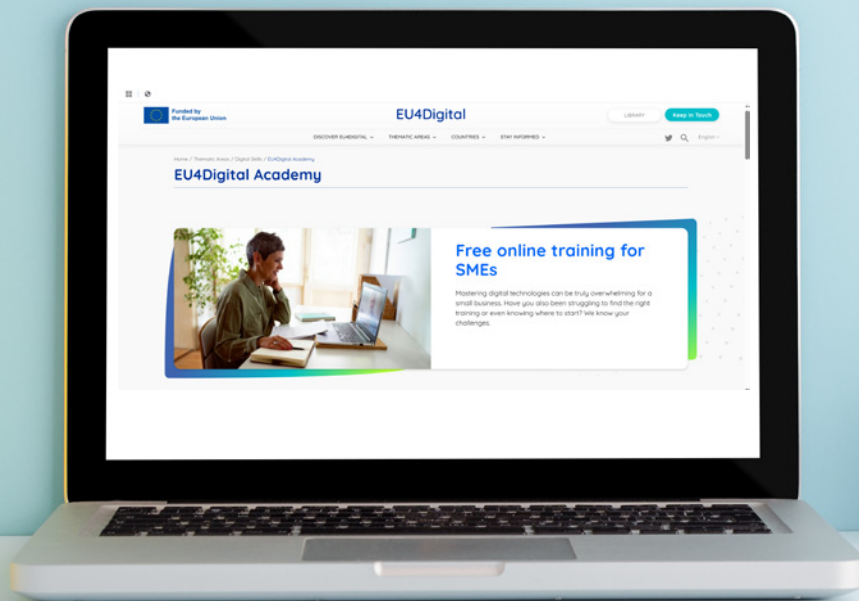
The EU4Digital Initiative: Fostering Regional Integration and Digital Development

These and other national digitalisation efforts are fully supported by the European Union through its [EU4Digital](#) initiative, as this drive is a crucial component of the broader Eastern Partnership policy, aiming to strengthen political and economic relations, enhance resilience, and extend the **benefits of the EU's Digital Single Market** to these nations, ultimately improving the lives of citizens in the region.

The EU4Digital initiative is focusing investments on developing and upgrading digital infrastructure, targeting remote and rural areas in particular to **reduce the urban-rural digital gap**. This strategic focus on reducing the urban-rural digital gap acknowledges that this disparity is a significant barrier to inclusive growth.

Also, in 2024 the EU4Digital initiative continued to focus on the four pillars of the EU Digital Compass: digital infrastructure, digital skills, digital transformation of businesses, and digitalisation of public services. Special focus was given to improving cross border trade by harmonizing the use of digital enablers, standards, and work practices between the EaP countries and with the EU.

The initiative, as part of its trade facilitation programmes, began testing the [e-Trust](#) and [e-Customs](#) pilot systems, which provide for the systematic and **automatic exchange of customs information** through a secure channel, enabling the use of specialised software for faster border crossings and better risk management.



Innovation in the Eastern Partnership: driving modern economies

We would like to acknowledge EU4Digital for their insightful contributions to this article.



The digital economy in the Eastern Partnership (EaP) countries has been rapidly developing, driven by government policies, international support, and a growing tech-savvy workforce. Moreover, the EaP countries are continuing to align their innovation and digital economies with EU standards.

Key focus areas include ICT innovation, digital infrastructure, e-governance, digital skills, harmonization of digital markets, and emerging technologies like AI and blockchain. Their initiatives boost start-ups, broadband connectivity, cybersecurity, digital trade, and e-services. As part of this process, the EaP countries have closely harmonised and integrated their digital policies into national strategies, which are often in alignment with the EU's Digital Single Market Principles.

While ICT has been a key driver of innovation across these countries, each has begun diversifying its focus areas, reflecting evolving priorities and emerging opportunities.

EU4Digital Academy: enhancing digital skills

The initiative has also launched a broadly based educational drive, the [EU4Digital Academy](#), with the primary goal of extending the benefits of the EU's Digital Single Market to the EaP countries: Armenia, Azerbaijan, Georgia, Moldova, and Ukraine. The EU4Digital Academy generally targets individuals and SMEs in the EaP countries who are looking to **enhance their digital skills** and knowledge for professional and business development.

The Academy offers **free online training** on relevant digital topics. These courses are designed to equip individuals and small and medium-sized enterprises (SMEs) with the digital skills needed to thrive in today's digital economy, with topics ranging from eCommerce in EU Marketplaces, cybersecurity, digital marketing essentials, and the digitalisation of business. Upon completion of a course, participants receive an EU-aligned digital certificate that can be used to demonstrate their acquired knowledge and skills.

Forward to a resilient digital future

The path forward in digitalisation necessitates a continued, adaptive, and multi-stakeholder approach. Strengthening policy frameworks, enhancing investment through public-private partnerships, building robust human capital, and fortifying cyber resilience are crucial. By aligning EaP digital development with EU standards and values, this cooperation aims to build a more integrated, prosperous, and resilient digital future for the entire region, and reinforce the EU's role as a global digital norm-setter and reliable partner in a turbulent geopolitical landscape.



Armenia's growing high-tech sector

Armenia, with the growing engagement of local governments, is promoting the manufacturing of high-value, high-tech products, focusing on Artificial Intelligence (AI) and Machine Learning (ML), Microelectronics, Advanced Robotics, Quantum Technologies, Biotechnology and Life Sciences.

In addition, as a part of its innovation drive, Armenia's Information and Communication Technology (ICT) sector has seen **remarkable growth**, with an annual increase of 54.8%, contributing USD 1 billion (€850 million) in output. The presence of 200 research and development centres and over 7,800 registered companies employing more than 41,000 skilled professionals highlights Armenia's strong talent base and innovative environment.¹

¹ <https://enterprisearmenia.am/media/news/armenia-a-global-destination-for-innovation-and-investment/>



Azerbaijan's digital ecosystem and cybersecurity focus

Simultaneously, Azerbaijan, also recognising the importance of fostering digital innovation, has prioritized the development of a robust digital ecosystem and infrastructure. The government launched the ["Online Azerbaijan"](#) project to provide **high-speed internet access nationwide**, aiming for completion by the end of 2024. Additionally, the establishment of the Azerbaijani Cybersecurity Centre, in collaboration with Azerbaijani conglomerate PASHA Holding and the Technion — Israel Institute of Technology, underscored the country's focus on enhancing cybersecurity and developing local expertise.



Georgia's accelerated start-up ecosystem

Georgia is set to accelerate its start-up ecosystem with the launch of its government-led [GITA 2.0](#) in 2025, focusing on Artificial Intelligence, BioTech, and AgriTech, marking a structured commitment to tech-driven innovation. The initiative also includes: early-stage international acceleration programmes to **boost start-up growth**, tax incentives for innovative start-ups and SMEs, the establishment of Excellence Centres in priority technology fields, and the creation of a comprehensive digital platform to support the innovation ecosystem. Measures will be taken to assist Georgia in its drive to further enhance its [e-governance capacity](#). By embracing tech-driven innovation, Georgia aims to position itself as a global technology leader, attracting international investment and fostering **sustainable growth**.



Moldova's diversifying tech sector and digital trade

Moldova is also witnessing the growing diversification of its tech sector. [Moldova's digital trade](#), supported by the government, focuses on boosting trade opportunities for local producers. Promising start-ups are emerging in AgriTech, FinTech, EdTech, game development, and digital media, illustrating a balanced effort to expand beyond traditional ICT. This transition highlights a common drive toward sectoral diversification, with **tailored approaches** to leverage each country's strengths and market dynamics.

At the heart of its economic growth and modernization commitment is [Moldova's Innovation Technology Park](#), a flagship initiative designed to foster a thriving digital ecosystem by providing a competitive environment for IT businesses, streamlining corporate innovation, and attracting international investment. The government aims to accelerate the digitalisation of all economic sectors and public services, **ensuring greater efficiency, transparency, and accessibility** for businesses and citizens alike. By leveraging strategic partnerships and forward-thinking policies, Moldova is positioning itself as a regional hub for startups and digital innovation, reinforcing its ambition to create a sustainable and inclusive digital economy.



Ukraine's innovation amidst aggression

Spurred by its successful innovation drive in spite of continued Russian aggression, Ukraine has articulated a comprehensive vision through its [WINWIN Global Innovation Strategy 2030](#) — an ambitious blueprint for fostering innovation as a driver of economic recovery, sovereignty, and sustainable peace. It aims to create an environment where businesses, startups, researchers, investors, and international partners can thrive, **contributing to Ukraine's economic advancement and global competitiveness**. By 2030, the strategy envisions Ukraine as a European innovation hub, advancing key sectors such as AgriTech, MedTech, BioTech, DefenceTech, EdTech, Artificial Intelligence (AI), and GreenTech, signalling a determined move toward advanced technologies and strategic industries. Its successful Diia portal recently launched the [Diia City](#) initiative, offering tax incentives and a **favourable regulatory environment for IT companies** and start-ups.



European Union Support for EaP Innovation

In 2024, the **European Union** continued to strengthen its collaboration with the EaP countries in recognition of the importance of this innovation drive. A notable event was the [Sixth Informal Working Group Meeting on Research and Innovation](#), held on 27-28 May in Vilnius, Lithuania. This meeting, hosted by the Lithuanian Ministry of Education, Science and Sports, brought together representatives of the five EaP nations to discuss ongoing and future cooperation in research and innovation.

The EU has also assisted in the EaP innovation evolution by launching its [EU4Innovation East](#) regional project, which is aimed at enhancing the competitiveness of the innovation and start-up ecosystem within the five countries of the Eastern Partnership (EaP): Armenia, Azerbaijan, Georgia, Moldova and Ukraine. Through strategic co-financing, capacity development, regulatory assistance, and a strong commitment to gender inclusion, EU4Innovation East aims to lay a foundation for sustainable, long-term growth in the region, ensuring that the innovation ecosystems are both inclusive and impactful.

Another important driver of digital innovation funded by the EU is the [EU4Digital](#) initiative, which aims to extend the **benefits of the EU's Digital Single Market** to the EaP countries. The overall goals of EU4Digital are to promote the digital transformation and harmonization of the digital markets in these partner countries. They aim to foster economic growth, create jobs, improve people's lives, and help businesses by reducing the prices of mobile services, further promoting affordable access to high-speed and

secure connectivity, strengthening cyber resilience in line with EU norms and best practices, and further harmonising digital frameworks across various sectors — from telecommunications and logistics, to health and e-commerce.

As part of its dissemination of model innovation strategies, the EU4Digital initiative released a report titled "Digital Innovation Clusters Development in the EaP: EU Best Practices in Cluster Management." This [report](#) analysed **best practices in EU countries** regarding the management and development of innovation clusters, with the aim of supporting the needs and capacities of cluster organizations within the EaP region.

As a part of their digitalisation and innovation efforts, the EaP countries are also focusing on **IT exports** by engaging in initiatives to increase the volume of cross-border trade and the speed of physical and digital processes and transactions, as well as harmonising the use of digital enablers, standards, and work practices among the EaP countries and with the EU.

The ["Eastern Partnership Ready to Trade"](#) project, under the EU4Business initiative, continually aims to enhance the focused integration of SMEs from the EaP countries into **global value chains**. The EU-supported project assisted SMEs in producing value-added goods that meet international and EU market standards, particularly in the agro-processing and textile sectors. Assistance included strengthening the capacity of local business support organizations to **better serve SMEs**.

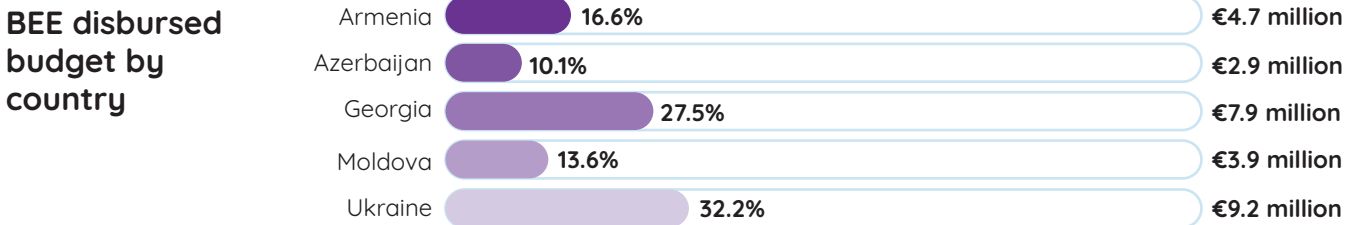
Results in Business Enabling Environment

The EU accepts that SMEs thrive most in environments where there is a level playing field for business and the regulatory environment and is less burdensome. So, a substantial share of EU support to SMEs is dedicated to creating and supporting a business-conducive environment.

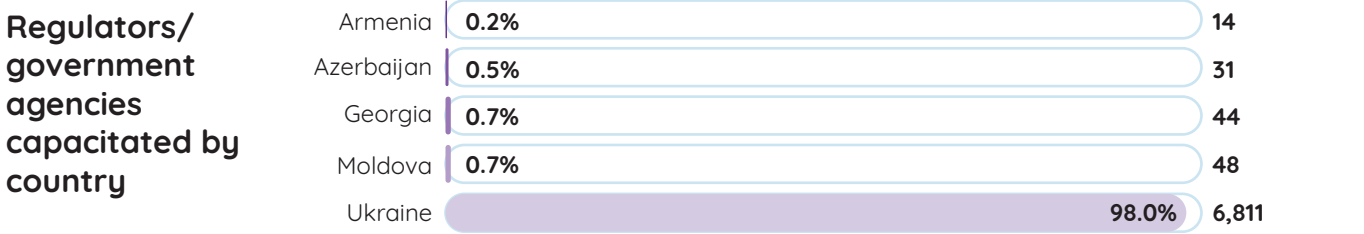
Disbursed budget in BEE



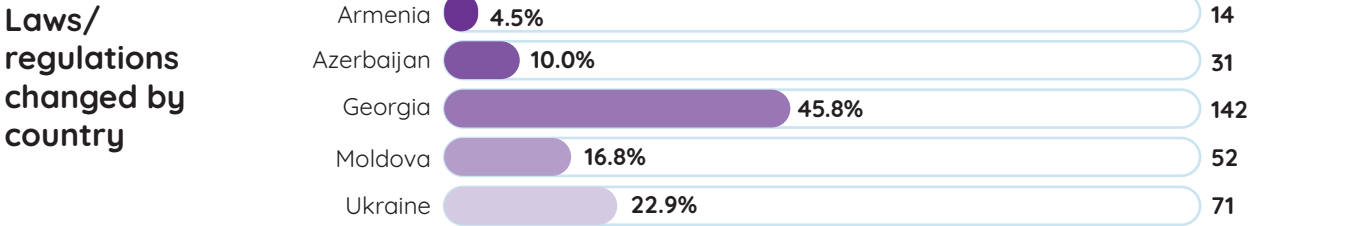
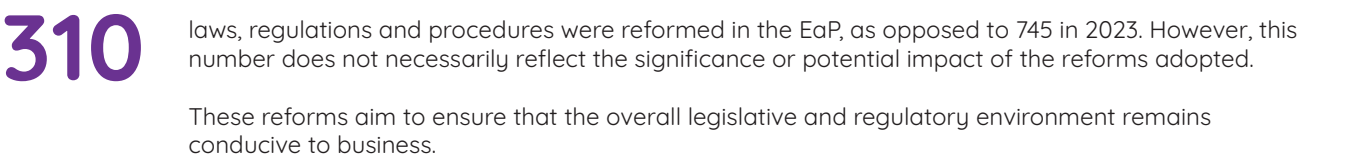
16.9% of the total disbursed budget in 2024.



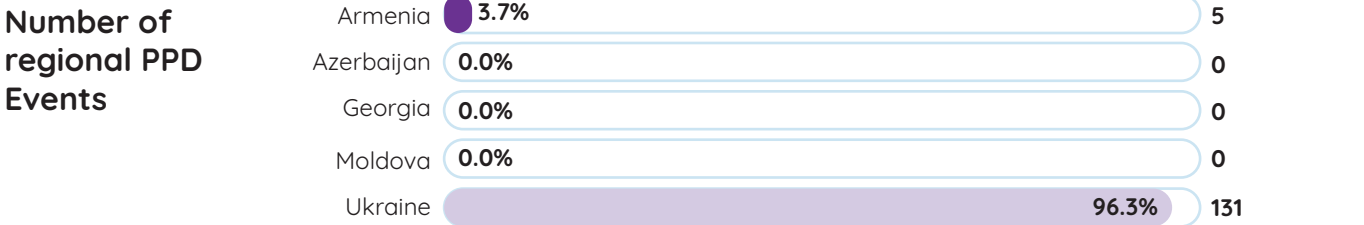
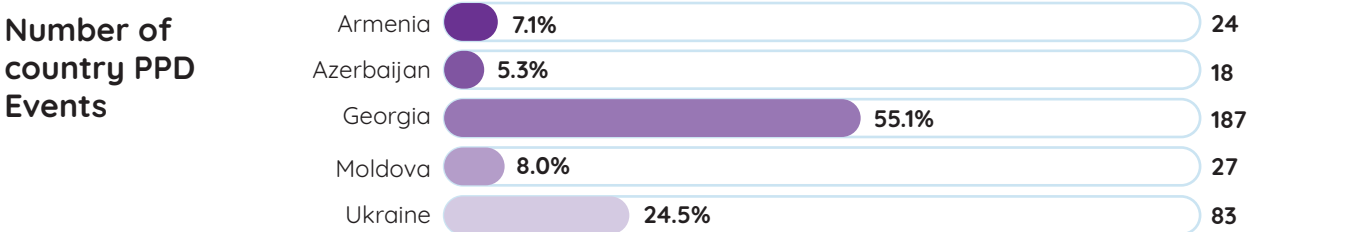
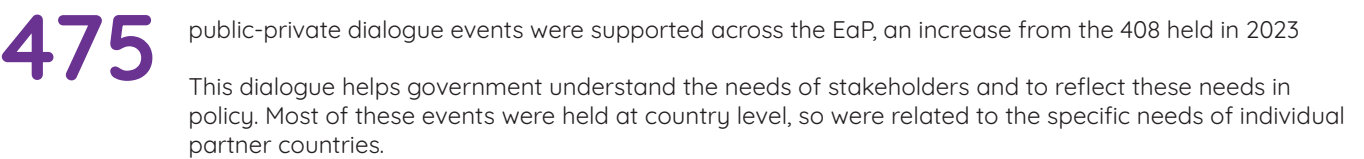
Regulators/governments capacitated



Laws/regulations changed



Public-private dialogue events held



Enhancing business environment in the Eastern Partnership member states

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Since the turn of the century, the countries in the Eastern Partnership (EaP) region have faced multiple shocks: the global financial crisis, the end of the commodity super-cycle, the COVID-19 pandemic, and, most recently, Russia's invasion of Ukraine. The latter, beyond the direct destructive impact on Ukraine itself, continues to have major repercussions on the entire region, provoking energy crises, new migration flows, and disruptions to trade.



These shocks have compounded long-term structural challenges for the EaP countries, hindering increases in their competitiveness, economic growth and productivity, which are key to lifting living standards in the region.

- Per capita economic growth in the EaP countries weakened from an annual average of 8.1% from 2000 to 2009 to 3.4% during 2010 to 2019, and to just 2.6% in 2020-2023. In the last four years, this is about 1.5 percentage points less than other middle-income countries in Europe and Central Asia.
- Similarly, while GDP per capita in the EaP region rose from 16% of the EU level in 1999 to 29% by 2009, it had only reached 35% by 2023. The income convergence of the EaP countries in the region is also slowing down compared to other middle-income countries.¹

In more recent years, short-term factors have influenced sub-regional dynamics. **Growth accelerated** in 2024 in the South Caucasus, even as inflows of capital and migrants from Russia started to fade, while inflation was more contained than in 2023. GDP growth is projected to moderate in 2025 and 2026, reflecting external vulnerabilities and regional tensions, but could be strengthened by greater

regional trade integration. In Ukraine and Moldova, earlier signs of an economic rebound subsided in the second half of 2024 amid a resurgence of inflation. A **shortage of domestic electricity production** caused by Russia's deliberate attacks on energy infrastructure in Ukraine and the cut-off of supply of Russian gas to Moldova's largest thermal power plant will continue to constrain growth in both countries in 2025.²

Countries in the EaP region face common challenges related to uncertain geopolitical developments, dependency on major trade partners, and low productivity. While external factors are important determinants of overall economic performance, national governments can influence their economies' development trajectories by prioritising reforms. At the regional level, sizeable benefits can be expected from **increased connectivity and regional integration**, while at the national level governments should continue to advance domestic **reforms to improve the business environment** and create the conditions to attract investment, encourage entrepreneurship, and foster innovation. This will be key to reviving business dynamism and productivity, and to bringing these countries onto a steady growth path.

¹ World Bank, World Development Indicators, <https://datatopics.worldbank.org/world-development-indicators/>

² EBRD (2025), Regional Economic Prospects, February 2025.



Armenia



Armenia's economy has performed exceptionally well since the COVID-19 contraction. After rebounding by 5.8% in 2021, GDP grew by another 12.3% in 2022 and by 8.3% in 2023, primarily owing to an influx of people and capital from Russia. Economic activity in Armenia is now decelerating towards its long-term growth potential after two years of rapid growth. Real GDP growth stood at 5.9% in 2024, reflecting waning inflows of capital, the diminishing impact of high-skilled Russian migration, and slower growth in trade and ICT services.^{3,4}

Armenia's efforts to **reform its public administration and reduce corruption** are important measures to improve the country's business environment. The government's ongoing public-sector reform strategy, in particular, focuses on public service delivery, digital infrastructure and data policy. Public investment and infrastructure expansion will continue to support economic activity.

While geopolitical volatility remains the key downside risk for Armenia, the country could also become an increasingly attractive transit option within the **Middle Corridor** (the **Trans-Caspian International Transport Route**, connecting China, Central Asia and the Caucasus with Europe) if new east-west routes became available. Armenia's export basket is primarily composed of low complexity good (minerals and agriculture), and the government intends to support diversification and concentrate on higher value-added products for international markets.⁵

The European Union has renewed its commitment to supporting a strengthened relationship with Armenia through a €270 million **Resilience and Growth Plan for Armenia** for the period 2024-2027. The plan will focus on building a resilient Armenian society (e.g. supporting democratic reforms and the rule of law, investing in skills and employment), facilitating investment in connectivity and business development (e.g. energy and transport infrastructure, start-ups and SMEs), and bringing Armenia closer to Europe with regulatory alignments and diversification of exports.

³ EBRD (2025), Regional Economic Prospects, February 2025.

⁴ Armstat (2025), Statistical Indicators, System of National Accounts.

⁵ EIU (2025), Armenia country report, April 2025

⁶ EBRD (2025), Regional Economic Prospects, February 2025.

⁷ EIU (2025), Azerbaijan country report, April 2025



Azerbaijan



Azerbaijan's economy experienced **robust growth in 2024**, primarily fuelled by the non-oil sector and increased public investment. The country's real GDP rose by 4.1% in 2024, a significant improvement on the 1.1% growth seen in 2023. Non-oil sector growth reached 6.2%, compared to 3.7% in the previous year. This economic expansion was supported by higher real incomes and infrastructure development, alongside a recovery in the oil and gas industry, with gas production increasing to meet European demand. However, Azerbaijan's economy remains vulnerable to fluctuations in global oil and gas prices and geopolitical uncertainties in the region. Additionally, the evolving international tariff landscape may impact economic growth in Europe, Azerbaijan's largest export market, potentially reducing demand for its gas exports.⁶

Gas and oil make up two-thirds of Azerbaijan's GDP, 90% of its export revenues, and 60% of the country's budget revenues. Despite ongoing challenges such as heavy state involvement in the economy and skill shortages that hinder private sector development, the government is making efforts to **diversify its economic base** beyond hydrocarbons. Key focus areas for this diversification include green energy, agriculture, tourism, and technology. Although Azerbaijan's manufacturing sector remains limited, the government has taken steps to foster its growth, particularly through the establishment of **industrial parks**, offering incentives such as exemptions from property, land, and profit taxes for new businesses in their initial years of operation.

In the medium term, trade along the **Middle Corridor** could create opportunities for Azerbaijan's transport and logistics sectors. The country is in the middle of the Eurasian landmass and offers a **strategic port link** with access to the Caspian Sea on the east-west transport routes. Development of the Middle Corridor is a government priority, although the volumes of cargo that are currently handled are modest. In recent years, Azerbaijan has finalised several agreements with other countries along the corridor to increase throughput capacity, harmonise their regulatory systems, and reduce cargo transit waiting times.⁷





Georgia



In 2024, Georgia's economy experienced **growth of 9.4%**, up from 7.8% in 2023, driven by the ICT, trade, education, and construction sectors. The tourism industry set new records, drawing in 7.4 million international visitors. Although financial inflows related to Russia's invasion of Ukraine and migration from Russia diminished, domestic consumption remained strong, supported by credit and wage increases. In the medium-term, however, the economy faces downside risks, including **geopolitical instability**, deteriorating external balances, and a slowdown in credit growth, which could dampen economic performance.^{8,9}

The country remains heavily dependent on imports, particularly energy, which will continue to weigh on the trade balance. However, increased exports of agricultural goods, wine and industrial products to the EU and other markets may provide some relief. **Trade diversification** efforts will be crucial in mitigating external vulnerabilities and reducing dependence on any single trading partner.

While domestic policy priorities remain focused on implementing business-friendly reforms, easing the entry of foreign businesses and improving conditions for small and medium-sized enterprises, trade relations might worsen in the absence of EU accession negotiations.¹⁰

Georgia was granted EU candidate status in December 2023, on the understanding that it takes the relevant steps set out in the European Commission recommendation of 8 November 2023, relative to, among others, protecting human rights, media independence, judicial reforms and fighting corruption. However, the government's course of action following the latest parliamentary elections **jeopardised Georgia's EU path**, leading to a de facto halt of the accession process and the decision of the government to suspend it until 2028.¹¹

⁸ EBRD (2025), Regional Economic Prospects, February 2025.

⁹ Geostat (2025), National Accounts, Gross Domestic Product (GDP)

¹⁰ EIU (2025), Georgia country report, April 2025

¹¹ Council of Europe (2025), EU Statement on Georgia, 1516th Meeting of the Committee of Ministers.

¹² EBRD (2025), Regional Economic Prospects, February 2025

¹³ Government of Moldova (2025), Reform Agenda under the Republic of Moldova's Growth Plan for the years 2025-2027

¹⁴ Council of the EU (2025), Press release 18 March 2025, "Moldova: Council gives final green light to support reforms and economic growth with €1.9 billion"



Moldova



Economic growth in Moldova in 2024 was 0.1%, due to a decline in the volatile agriculture sector and a contraction in the exports of goods. Forecasts for the future, however, are relatively positive, with GDP growth expected at 1.8% in 2025 and 3.8% in 2026¹².

In early 2025, a renewed **energy crisis** caused by a halt in Russian gas supplies to the breakaway region of Transnistria placed additional strain on economic activity. In response, Moldova and the EU agreed on a 2-year Comprehensive Strategy for the Energy Independence and Resilience of Moldova, with the short-term objective of providing **financial relief to consumers** facing steep increases in their energy bills, along with aid to vulnerable households and support for agricultural and manufacturing businesses, coupled with a long-term vision for strengthening Moldova's energy security through investments and reforms for energy transition.

While Moldova faces short-term economic challenges due to a still-limited level of diversification, there are some signs of progress. **The country's export base is gradually becoming more varied**, reflecting initial steps towards building a more resilient and export-oriented economy. Agriculture continues to account for nearly half of exports, but there are efforts to attract investment and reduce vulnerability to climate-related shocks. The industrial sector comprises around 14% of GDP, and the emergence of the ICT sector, now contributing about 7-8% to GDP¹³, has been a particularly noteworthy development in recent years.

The European Commission's recently adopted **Growth Plan for the Republic of Moldova**, worth €1.9 billion for the period 2025-2027 (out of which up to €385 million were grants), is the largest EU financial support package since Moldova's independence and could provide substantial relief to Moldova's growth challenges. It aims at **boosting Moldova's economy** and bringing the country closer to EU membership by providing resources for investment in priority areas (e.g. infrastructure, energy, healthcare, digitalisation), enhancing access to the EU single market (e.g. alignment of standards in trade, energy, and digital sectors), and accelerating reforms for socio-economic development¹⁴.

To realise these objectives, Moldova has committed to implementing 56 **targeted policy area reforms** and 153 steps, focusing on economic modernisation, governance improvements, and long-term competitiveness. With such sustained policy reform, and the strengthening of institution and financial support, these developments could make Moldova's economy more competitive and put the country on a path of long-term convergence with EU-levels.



Ukraine



After the initial shock of the full-scale invasion, Ukraine's economy has been resilient. Real GDP fell by 28.8% in 2022, but its growth rates were 5.5% and 2.9% in the following two years¹⁵. The continuation of the war and deliberate attacks by Russia on electricity infrastructure caused power shortages, high prices of imported electricity and acute labour shortages, causing a **slowdown in economic growth and accelerating inflation**.

Ukraine's industrial sector, historically concentrated in the eastern oblasts, has been targeted by Russian attacks, causing extensive damage to factories and supporting infrastructure, and severely disrupting activity in the country's industrial core. Similarly, agricultural production experienced a significant decline in 2022, with the collapse of the Kakhovka dam creating long-term irrigation issues in the regions where a large portion of Ukraine's agricultural lands are located. In contrast, the services sector has shown greater resilience, with a considerable share of services being based in Kyiv and other large cities far from the front line, which have been less affected by the ongoing hostilities.¹⁶

Russia's invasion of Ukraine has caused civilian casualties and hardship, as well as damage to infrastructure and productive assets. As of end-December 2024, the recovery and reconstruction needs are estimated at nearly USD 524 billion (€445.4 billion) over the next 10 years, which is approximately 2.8 times the estimated nominal GDP of Ukraine for 2024.¹⁷

Investing in recovery and reconstruction provides an opportunity not just to address the destruction caused by Russia's invasion, but also to build back better by adopting innovative solutions and reforms that meet the expectations of EU membership. Ukraine is **pursuing reforms** to strengthen its education and social protection systems, reduce regulatory burdens, improve public governance and make inroads into the significant challenges of corruption and public integrity. Nevertheless, the restrictions of martial law and full-scale defence have frozen the implementation of many reforms.¹⁸

The Ukraine Facility is a major EU financing mechanism to sustain Ukraine's recovery and reconstruction, mobilise investments, and support reforms towards EU accession. It covers the period from 2024 to 2027 and offers up to €50 billion in stable and predictable financial support. Private sector involvement will also be critical to bridging Ukraine's financing gap, with significant investment opportunities in areas like renewable energy generation, transport infrastructure concessions, and housing reconstruction. Key priorities to enable greater private sector participation include **strengthening regulatory frameworks**, promoting competition and innovation, and improving access to finance to attract both domestic and international investment.¹⁹

¹⁵ Ukrstat (2025), Economic statistics / National accounts

¹⁶ EIU (2025), Ukraine country report, April 2025

¹⁷ World Bank (2025), Fourth Rapid Damage and Needs Assessment RDNA4

¹⁸ OECD (forthcoming), OECD Economic Survey: Ukraine 2025

¹⁹ European Commission (2024), Ukraine Facility factsheet.



Annex 1: List of projects 2024

Title	Total Budget	Start date	End date	Type of the Project	Areas of Intervention		
					A2F	BDS	BEE
Armenia SME Finance and Advice Facility	€15,380,000	2015	2029	Bilateral	•	•	
R2D Syunik: Recovery, Resilience, Development for Syunik	€9,000,000	2023	2027	Bilateral	•	•	•
Three4ResilientArmenia: Fostering Sustainable Livelihoods, Business Growth, and Employment Opportunities for Displaced and Host Communities	€3,000,000	2024	2027	Bilateral	•	•	•
Building sustainable apparel and agribusiness value chains in Armenia	€2,000,000	2023	2026	Bilateral		•	
EU TUMO Convergence Centre	€12,500,000	2018	2025	Bilateral		•	
Establishment of a Technology and Creative Industries Hub in Kapan	€1,000,000	2022	2025	Bilateral		•	
Support to Quality Infrastructure in Armenia	€4,000,000	2022	2025	Bilateral			•
Creative Accelerator Program (CAP)	€3,000,000	2022	2025	Bilateral	•	•	
EU4SEVAN	€5,000,664	2020	2025	Bilateral		•	
EU for Increasing Migrants' Potential to Act for Development of Armenia	€3,500,000	2020	2024	Bilateral	•	•	
Enhancing private sector-led economic growth in Dilijan and adjacent communities	€1,000,000	2022	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	2024	Bilateral			•
Enhancing economic development of Ijevan through leveraging PPP and creating local eco-system for innovative development	€640,800	2022	2024	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	•		
Community-based Climate Change Resilience and Green Transition (COMRES)	€1,330,000	2024	2028	Bilateral	•	•	
Sustainable rural development for improved livelihoods in less developed regions of Azerbaijan	€5,000,000	2024	2027	Bilateral	•	•	•
Support to the Government of Azerbaijan on trade related activities, WTO accession negotiations, strengthening quality infrastructure (QI) and digital management system	€2,534,165	2024	2027	Bilateral			•
EU-Azerbaijan Business Forum 2024-2026	€297,426	2023	2026	Bilateral		•	•
Azerbaijan Rapid Technical Assistance Facility (AZTAF)	€5,250,000	2021	2025	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		•	•
Sustainable and Inclusive Irrigated Agriculture Development Programme in Georgia	€18,107,000	2024	2030	Bilateral	•	•	•
Inclusive Access to Markets	€5,000,000	2023	2027	Bilateral	•	•	•
Creative Compass Georgia	€4,650,000	2023	2027	Bilateral	•	•	•
GREEN — Global Resilience and Environmental Empowerment Nurturing	€719,841	2024	2027	Bilateral	•	•	•
QUIS — Better Goods and Services	€11,525,000	2024	2027	Bilateral	•	•	•

Title	Total Budget	Start date	End date	Type of the Project	Areas of Intervention		
					A2F	BDS	BEE
Administration Agreement between the European Commission on behalf of the European Union and the International Bank for Reconstruction and Development concerning the Part II Europe 2020 Programmatic Single-Donor Trust Fund (No. 074061)	€3,000,000	2023	2026	Bilateral		•	•
Inclusive Growth through Sustainable and Green Business Practices in Georgia	€879,100	2024	2026	Bilateral	•	•	•
Promoting Green Skills for Sustainability (PROGRESS)	€776,700	2024	2026	Bilateral	•	•	•
Support to SME Digitalisation	€6,000,000	2023	2026	Bilateral	•	•	•
Capacitated Agricultural Practices and Consumer Awareness (CAPCA)	€1,762,266	2023	2025	Bilateral	•	•	•
Green Guria: Supporting Local Democracy and Rural Development for Inclusive and Resilient Green Growth	€2,000,000	2022	2025	Bilateral	•	•	•
Accelerated Rural Development in Imereti & Kakheti	€2,976,868	2022	2025	Bilateral	•	•	•
European Neighbourhood Programme for Agriculture and Rural Development in Georgia (Phase IV) Budget Support Contract	€31,000,000	2020	2025	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	•	•	•
Catalysing Economic and Social Life in EU Focal Regions of Georgia	€4,500,000	2022	2025	Bilateral	•	•	
Strengthening the Capacity of the Market Surveillance Agency of Georgia	€1,200,000	2023	2025	Bilateral			•
Joint EU-UN Programme for Rural Development in Abkhazia, Phase III (ENPARD IV)	€1,750,000	2022	2025	Bilateral	•	•	
Strengthening Capacity of the Competition Agency of Georgia	€1,200,000	2022	2024	Bilateral			•
Ensuring further progress of SPS and food safety system in Georgia	€1,450,000	2020	2024	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			•
Economic Development of Oni Municipality via Business Clusters Creation and Investment Attraction	€315,262	2022	2024	Bilateral		•	
Bolnisi Business Model-Expanding Success and Inspiring Local Governments for Economic Development	€150,000	2022	2024	Bilateral		•	•
Support to MSMEs sector in the Republic of Moldova: BGK amortised loan to ODA — FACEM Fund	€1,000,000	2024	2030	Bilateral	•	•	
Enabling an Inclusive Green Transition in the Republic of Moldova	€10,000,000	2023	2027	Bilateral	•	•	•
EU for Sustainable, Innovative, Green and Competitive Economy (EU4SMEs)	€8,000,000	2023	2026	Bilateral	•	•	
Improving the standards compliance through increased national capacities for residue monitoring	€1,500,000	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	•	•	•
European Union Confidence Building Measures Programme Phase VI (2023-2025)	€2,000,000	2023	2025	Bilateral	•	•	•
EU4Moldova: Local Communities Development (LEADER)	€2,500,000	2021	2024	Bilateral	•	•	•

Title	Total Budget	Start date	End date	Type of the Project	Areas of Intervention		
					A2F	BDS	BEE
Start up City Cahul	€6,800,000	2020	2025	Bilateral	•	•	
European Union Confidence Building Measures Programme VI (2023-2025)	€4,000,000	2023	2025	Bilateral			•
EU Support for Ukrainian MSMEs	€10,000,000	2023	2036	Bilateral	•		
EU Support for Ukrainian Micro, Small and Medium-Sized Enterprises (MSMEs) (NEAR — UA FACILITY/2024/456-726)	€10,000,000	2024	2036	Bilateral	•		
EU SME Competitiveness and Inclusion Programme in Ukraine	€37,000,000	2024	2029	Bilateral	•	•	•
Support to the Partial Credit Guarantee Fund (PCGF) under the land reform	€17,545,000	2023	2026	Bilateral	•		•
Competition and State aid rules and practices alignment with the EU Acquis	€3,300,000	2023	2026	Bilateral			•
Continued support to align Ukrainian legislation, control and awareness with the EU Acquis in food safety, animal health and welfare, and phytosanitary (EU4SaferFood 2) (ILCA2)	€1,999,885	2024	2025	Bilateral		•	•
EU4Business: Network of Business Support Centres in Ukraine	€40,000,000	2016	2025	Bilateral	•	•	
EU4Business: SME Policies and Institutions Support (SMEPIS) Ukraine	€3,999,200	2023	2025	Bilateral		•	•
Inclusive, competitive and sustainable value chain development in agriculture, fisheries and forestry	€22,050,000	2021	2026	Bilateral	•	•	•
Supporting Ukraine in rebuilding and recovery	€996,965	2022	2025	Bilateral		•	•
EU4Business: SME Recovery Programme Ukraine	€10,000,000	2022	2025	Bilateral	•	•	
New Economy of Ivano-Frankivsk (NEF) — supporting emerging innovative economic activity clusters in Ivano-Frankivsk	€999,900	2022	2025	Bilateral		•	•
Institutional and Policy Reform for Smallholder Agriculture	€8,999,900	2021	2025	Bilateral		•	•
Implementation of EU practices for accounting, financial reporting and audit in Ukraine	€2,969,600	2020	2025	Bilateral		•	•
Pyriatyn community value chains in dairy and berry clusters to support youth and rural residents economic empowerment and enable local green growth	€904,582	2022	2025	Bilateral	•	•	•
Fostering economic growth in Kamyanets-Podilskyi hromada	€137,457	2022	2025	Bilateral		•	•
M4EG II Grant contract with Mamalyha Village Council “Connecting communities — for sustainable economic growth (ConCom4EG)”	€366,390	2021	2025	Bilateral		•	
Improvement of legislation, control and awareness in food safety, animal health and welfare in Ukraine	€6,300,000	2019	2024	Regional			•
EU Integration Campaign for Rapid Business Reorientation	€59,960	2023	2024	Regional			•
EU4Business: SME Competitiveness and Internationalization	€15,500,000	2020	2024	Regional	•	•	•
EFSE — EU4Business: Local Currency Lending to MSEs in the Eastern Partnership	€39,921,000	2020	2041	Regional	•		
Promoting Green Lending in the Eastern Partnership	€32,855,000	2020	2040	Regional	•		
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	•		
2018 NIP decision share — Green for Growth — Extension to Neighbourhood East II	€5,162,849	2018	2039	Regional	•		
Green for Growth — Extension to Neighbourhood East II	€6,157,151	2018	2039	Regional	•		
“EU4Business Guarantee Facility” financed from the general budget of the European Union under the Neighbourhood Investment Platform	€41,495,000	2020	2035	Regional	•		
SMEs Competitiveness in Ukraine and Moldova — NIP contract	€20,910,400	2023	2032	Regional	•	•	

Title	Total Budget	Start date	End date	Type of the Project	Areas of Intervention		
					A2F	BDS	BEE
EFSD+EBRD guarantee for Armenia	€550,000	2023	2031	Regional	•		
EIB-04 SME Finance Facility — EIB window	€5,100,000	2010	2030	Regional	•		
EFSD — FMO Guarantee for Georgia	€1,230,000	2023	2030	Regional	•		
ESDF FMO Armenia Guarantee	€4,650,000	2023	2030	Regional	•		
Eastern Partnership SME Finance Facility — Phase II KfW	€5,200,000	2017	2030	Regional	•		
EU EBRD Local Currency Initiative	€6,216,000	2021	2030	Regional	•		
DCFTA SME Direct Finance Facility	€10,220,000	2014	2029	Regional	•	•	
Grant for the DCFTA Initiative East — Local Currency Solution Programme	€5,300,000	2018	2029	Regional	•		
EFSD + — FMO Guarantee for AM top up	€950,000	2023	2029	Regional	•		
Women in Business Phase II	€8,440,000	2021	2027	Regional	•	•	
DCFTA Initiative East (EIB) (can also be referred to as DCFTA Facility by EIB)	€62,746,000	2016	2028	Regional	•	•	
EU4Business EBRD Credit line (SME Competitiveness Programme in Eastern Partnership — 2019 funds)	€42,675,049	2019	2028	Regional	•		
EFSD+EBRD Guarantee for Georgia	€1,770,000	2023	2028	Regional	•		
EFSD+Proparco Guarantee for Moldova	€2,500,000	2023	2028	Regional	•		
EFSD Proparco Guarantee Georgia	€3,100,000	2023	2028	Regional	•		
FINANCE AND TECHNOLOGY TRANSFER CENTRE FOR CLIMATE CHANGE (FINTECC) — EU4CLIMATE window	€15,400,000	2020	2027	Regional	•		
NASIRA Guarantee Program	€1,365,000	2022	2027	Regional	•		
EFD IFC guarantee in Ukraine	€2,500,000	2023	2027	Regional	•		
EU4Business EBRD Credit line (EU Deep and Comprehensive Free Trade Area (DCFTA) Facility, EBRD DCFTA Programme)	€38,900,000	2017	2027	Regional	•	•	
Eastern Partnership SME Finance Facility — Phase II EIB	€5,200,000	2017	2027	Regional	•		
EFSD+EBRD guarantee for Armenia	€280,000	2023	2027	Regional	•		
PROPARCO Guarantee Program	€10,650,000	2022	2027	Regional	•		
EU4Business EBRD Credit line (SME Competitiveness Programme in Eastern Partnership — 2018 funds)	€52,908,951	2019	2026	Regional	•		
EBRD Advice for Small Businesses, Team Europe EaP window	€14,976,000	2020	2026	Regional		•	
EU4Business EBRD Credit line (EU Deep and Comprehensive Free Trade Area (DCFTA) Facility, EBRD DCFTA Programme)	€19,430,000	2016	2026	Regional		•	•
EU-EBRD Country-specific Investment Climate Reviews and Action Plans for Eastern partnership (EaP) countries Phase II	€1,200,000	2022	2025	Regional			•
Mayors for Economic Growth 2 TA	€10,000,000	2021	2024	Regional		•	•
EU4BUSINESS: Connecting Companies	€6,498,205	2019	2024	Regional		•	
EU4Business: From Policies to Action Phase II	€2,900,000	2020	2024	Regional			•
Eastern Partnership Trade Helpdesk	€3,700,000	2019	2024	Regional		•	
EU4Environment — Mainstreaming and Circular Economy — Results 1 and 2	€9,700,000	2018	2024	Regional		•	•
Structural Reform Facility: World Bank component	€1,500,000	2018	2024	Regional			•
EFSD — IFC guarantee for Ukraine	€3,750,000	2023	2027	Regional	•		
Armenia Economic Resilience Facility	€6,300,000	2022	2024	Regional	•		
“EU4Innovation East” Support to Digital innovation in the Eastern Partnership region	€20,000,000	2024	2028	Regional		•	•
Green for Growth Fund — Technical Assistance Contribution for the East	€3,900,000	2024	2045	Regional	•	•	•
Strengthening Intellectual Propriety Rights in Georgia, Moldova and Ukraine	€2,800,000	2024	2027	Regional			•

Annex 2: EU4Business Partners

Over 60 partners are implementing EU4Business projects and programmes

Member State Governments and Agencies

- Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH
- Goethe-Institut e.V.
- Kreditanstalt für Wiederaufbau
- National Body for Standards and Metrology (NBSM)
- Partikas Un Veterinarais Dienests
- Spanish Metrology Centre (CEM)
- The Italian Accreditation Body (Accredia)
- The Austrian Development Agency GmbH
- The Swedish International Development Cooperation Agency

EaP Government Agencies and NGOs

- Anti-Violence Network of Georgia Union
- Armenian Caritas
- Bolnisi Municipality
- Bukovynyan Regional Development Agency
- Caucasus Environmental NGO Network Association
- Co-Wo LLC
- Dilijan Community Center (DCC)
- Dilijan municipality
- Embassy of Canada in Armenia
- Executive Committee of Ivano-Frankivsk City Council
- Executive Committee of the Pyriatyn Town Council
- Georgian Farmers Association
- Ijevan Municipality
- Impact Hub Armenia Social Innovation Development Foundation
- Initiatives for Development of Armenia (IDEA)
- IRIS Business Incubator Foundation
- Kyiv School of Economics Institute
- LEPL “Enterprise Georgia”
- Mamalyha Village Council
- Ministry of Economy (MoE)
- Municipality of Kapan community
- National Agency for Food Safety (ANSA)
- Oni Municipality
- Organisation for the Entrepreneurship Development (ODA)
- Orran Benevolent NGO
- SAKARTVELO
- Solidarity Fund
- The Armenian General Benevolent Union
- The East European Foundation
- The Union of Ukrainian Entrepreneurs (SUP NGO)
- Union of advanced technology enterprises (UATE)
- Union of Employers of Information and Communication Technologies (UEICT)
- YEREVAN — TUMO Center for Creative Technologies

International Consultancies

- COWI Belgium
- DMI Associates
- Expertise France
- Hulla & Co Human Dynamics & Co KG (DAI Group)
- Instituto de la Calidad SA
- NIRAS Sweden AB
- OCA Global Consulting and Technical Advisory Services, S.L.U
- WeGlobal
- WYG Consulting Ltd

International Organisations

- Agence Francaise de Developpement
- Bank Gospodarstwa Krajowego
- European Investment Bank
- European Investment Fund
- European Union Intellectual Property Office (EUIPO)
- The Dutch Entrepreneurial Development Bank (FMO) via Nastra
- German-Armenian Fund
- Institute for Change and Innovation
- International Bank For Reconstruction And Development
- International Trade Centre
- Kamyanets-Podilsky City Council Executive Committee
- Kredobank S.A.
- Lietuvos Respublik
- NASIRA
- OCN Microinvest SRL
- Proparco
- State Consumer Rights Protection Authority, Republic of Lithuania
- The International Centre For Migration Policy Development
- The International Finance Corporation (IFC)
- The European Bank for Reconstruction and Development
- The Organisation for Economic Co-operation and Development (OECD)
- Technischer Überwachungsverein
- World Bank

International NGOs

- CARE Österreich
- Eurochambres
- The Better Regulation Delivery Office (BRDO)
- The Food and Agriculture Organisation of The United Nations
- United Nations Development Programme (UNDP)
- United Nations Industrial Development Organisation (UNIDO)
- World Vision Österreich Verein für Entwicklungszusammenarbeit und Völkerverständigung



EU4Business

