



UKRAINE INVESTMENT FRAMEWORK

Cover Note

UIF Call for Proposals on Intermediated Private Lending Operations

[UIF call 03-2025]

BACKGROUND

The Ukraine Facility Regulation entered into force on 1st March 2024, paving the way for the establishment of the Ukraine Investment Framework (UIF). The objective of the UIF is to mobilise investments for the reconstruction, modernisation and long-term growth of Ukraine, supporting the objectives and the implementation of the Ukraine Plan and consistently with EU policy priorities. The UIF has a total capacity of EUR 7.8 billion of guarantee and EUR 1.5 billion of grants, investments grants, technical assistance and financial instruments. It is expected to mobilise around EUR 40 billion in public and private investments in Ukraine.

The UIF is building on the experience of European Fund for Sustainable Development (EFSD+) and the Neighbourhood Investment Platform (NIP) and is implemented in indirect management by pillar-assessed European Financial Institutions and multilateral Financial Institutions, the “Eligible Financial Institutions” (EFIs).

Following the signature of top ups of existing guarantee and blending agreements, as planned by the Ukraine Facility Regulation, distinct UIF Calls are foreseen. On 23 September 2024, the first UIF Call for Portfolio of Investment Projects (PIPs) and individual projects with public sector and private sector (direct) counterparts as well as funds was launched. On 7 March 2025, [a Call for Proposals](#) on Intermediated Private Lending Operations via Banks was launched, targeting support to Small and Medium Enterprises (SMEs), war-affected and vulnerable groups.

SMEs are the backbone of Ukraine’s economy, comprising 99% of all business entities, providing 74% of all jobs, and creating two thirds (64%) of value added in the economy. They play a crucial role for the resilience of Ukraine’s economy amid the war – and will be driving Ukraine’s integration into the EU and its Single Market. Therefore, supporting SMEs is a core focus of the UIF, with a minimum of 15% of its guarantee capacity specifically allocated to them according to the Ukraine Facility Regulation.

Given their limited capacities and the transaction costs, they usually do not benefit directly from lending or other type of support from EFIs. An intermediary, usually a bank in Ukraine, is therefore necessary. This justifies a specific Call with different terms for SMEs.

The initial Call on Intermediated Private Lending Operations was closed on 22 April 2025 with three submissions, which are presented for consideration of the UIF Steering Board on 18 June 2025.

Following the assessment of these submissions, the European Commission proposes to revise some of the key parameters of the Call, while maintaining the same policy focus. The note outlines all key parameters of the new Call for Proposals.

The note will be completed by (i) an updated UIF Application Form Part A and B; and (ii) the UIF Guidelines for Applicants building on the documents developed for the Call launched on 23 September 2024.

THE SCOPE OF THE CALL

The EFIs are hereby invited to propose applications on intermediated private lending operations.

This Call aims at supporting access to finance for Micro-, Small-and-Medium-Sized enterprises (MSMEs). Specific focus will be placed on assisting war-affected and vulnerable groups, as well as supporting mine action and de-mining activities. This Call identifies war-affected group as businesses located in war-affected territories, led by/employing War-Veterans, Internal Displaced Persons (IDPs) and Returnees. Vulnerable group represent micro-enterprises and start-ups, companies led by/employing Women, Youth, Person with disabilities, and small farmers.

AMOUNT AND TIMELINE OF THE CALL

The total indicative amount made available for this present Call is EUR 1.2 billion, including 1.1 billion for budgetary guarantees and EUR 100 million in grants.

The present Call has a deadline for submissions, fixed on **17 October 2025**.

TYPES OF SUBMISSIONS

The EFIs have the possibility to combine budgetary guarantee and grant requests, including for technical assistance, investment grants in relation to the same programme with one single submission.

EFIs will be required to include the below elements in their submissions. The European Commission will compare the different submissions for product design by EFIs and adjust them in order to enhance their complementarity and achieve a coordinated impact.

The present Call aims at allowing the following specific war-affected, vulnerable and target groups to benefit from higher risk coverage, as well as when justified, incentives grants.

Under this approach, EFIs will be required to comply with the following elements in their submissions. EFIs would be free to design their guarantee products within these parameters and requirements.

Key Parameters:

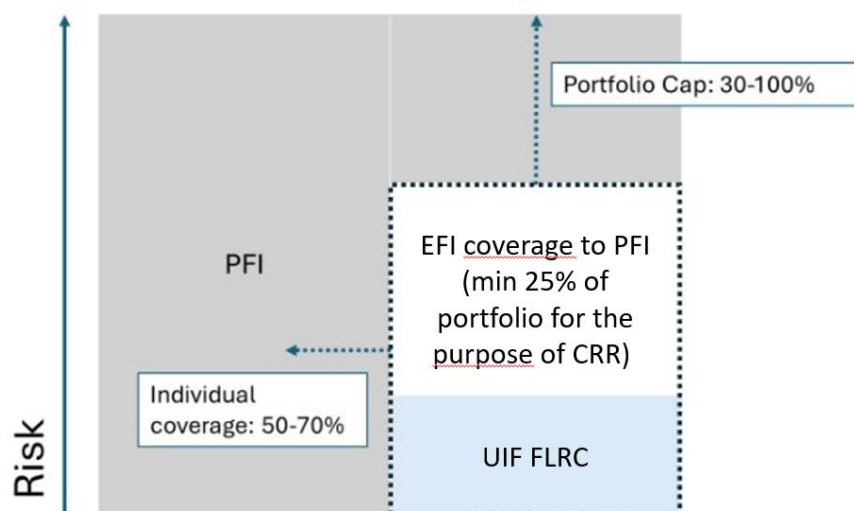
- Specific focus placed on assisting war-affected and vulnerable groups, allowing the EFIs to propose the percentage of the beneficiaries from vulnerable groups.
- Specific focus on supporting investments in CAPEX, allowing the EFIs to propose the percentage of CAPEX in their proposals.
- At least 75% of support dedicated to SMEs at programme level according to the EU definition. Up to 25% of the portfolio to be used for SME+ (up to 500 employees and/or EUR 75 million turnover).

- Skin-in-the game requirements apply as described in the Risk Management Framework. In particular, partner banks shall not share less than 30% of skin-in-the-game at the same level of risk as the UIF.

Requirements: Risk-sharing structure / level of guarantee offered to the PFI at the end of ramp-up

- Portfolio level: UIF guarantee to be used as a capped First Loss Piece.
- Transaction level: Single loan basis coverage of up to 70%. Notional approach (portfolio) allows flexibility in allocation of guarantee coverage to single transactions.
- Portfolio cap by EFI is optional, to the extent that the EFI can cover the tail risk. Thus enabling a combination of capped and pari-passu risk structures. Parameters to be suggested by the EFI to the condition it enables capital relief of the PFIs in Ukraine.
- Skin-in-the game requirements apply as described in the Risk Management Framework. In particular, partner banks shall not share less than 30% of skin-in-the-game at the same level of risk as the UIF.

Outlines of risk sharing structure/ level of guarantee offered to the PFI:



*CRR - Capital Relief Requirement

Grant intensity:

The Call foresees higher grant intensity depending on the type of investments or target group. The below suggested grant matrix represents is provided as a reference point, EFIs will be invited to propose their own operational setups.

Specific requirements and criteria related to the grants are spelled out in the *Guidelines for Applicants*. The European Commission aims to align the definitions for vulnerable and war-affected groups, notably in line with those applied by the Government of Ukraine (GoU) - see also section below on policy priorities and Annex I.

Suggested grant scheme

	Regular Investments	Investments into eligible priority technologies and energy generation	Targeted Investments in demining activities
Regular SME and SME+	No grant	Up to 10%	Up to 10%
Women-led and youth-led SME	No grant	Up to 15%	Up to 10%
Vulnerable groups (excl. Women and youth)	No grant	Up to 15%	Up to 15%
War-affected groups	Up to 20% Average of 10%	Up to 30% Average of 20%	Up to 20% Average of 10%

*Investments into eligible priority technology and energy generation must meet the specific sectors listed below:

- Processing industry projects including replacement of outdated machinery, expansion of production lines, support of the export-oriented industries or integration of energy-efficient equipment, access to digital solutions.
- Energy security, efficiency and generation, including installation of energy storage systems, renewable energy sources, and grid-independent power solutions.
- ESG-focused investments including technologies that improve sustainability, reduce carbon emissions, and promote circular economy models.

Upon submitting proposals, EFIs are required to provide a list of eligible priority technologies, which must be approved by both the European Commission and the Government of Ukraine, as relevant.

POLICY PRIORITIES

All operations benefiting from UIF support need to be aligned with the Ukraine Facility Regulation, including particularly Article 3 “Ukraine Facility objectives” and Article 4 “Ukraine Facility general principles”. In its Article 28, the Ukraine Facility Regulation also defines horizontal targets, notably a spending target of at least 20% for green investment, as well as the minimum 15 % spending target for support to micro, small and medium-sized enterprises. These targets must be considered in the formulation of projects, and the EFIs are expected to support the European Commission on its reporting, including with appropriate disaggregation of indicators based on the Ukraine Facility Results Measurement Framework.

At its first meeting on 17 April 2024, the UIF Steering Board approved the UIF Strategic Orientations, outlining a set of horizontal priorities as well as priority investments areas of the UIF based on the Ukraine Plan. The Strategic Orientations constitute the eligibility and

policy framework for the present Calls for proposals. The ability of the submitted projects to contribute to the outlined horizontal and sectoral priorities will form a critical element for the assessment of the proposals.

The European Commission will require that EFIs align their submissions with the below designs and policy priorities. In order to ensure close policy alignment under the UIF, as well as overall steering of the instrument, regular and continuous exchanges, portfolio and pipeline reviews as well as monitoring between the European Commission and EFIs will be required during the implementation of the instruments.

The present Call aims at allowing the following specific target groups to benefit from higher risk coverage, as well as when justified, incentives grants:

1. War-affected groups

- Companies in war-affected territories
- Companies led by/ employing war affected groups: War-Veterans (and family members of a War Veteran) and IDPs or Returnees

2. Vulnerable and target groups

- Micro-enterprises and start-ups
- Companies led by/ employing: Women ⁽¹⁾, Youth, Person with disabilities, small farmers

The definitions of war-affected and vulnerable groups are intended to be of a dynamic nature, they can be adjusted through the lifetime of the programmes due to a fast-evolving situation in Ukraine. Note that the definitions may be subject to revision in view of needs of the market and EFIs.

3. Supporting mine action and de-mining activities

Specific focus will be placed on finance for mine action, assisting MSMEs, agri-business and small farmers, as well as demining industry's access to finance to engage in de-mining activities. Financing can be provided for each stage of the process of demining consisting of: i) non-technical survey; ii) technical survey; iii) clearance.

Investment into mine action can include the following:

- Investment by agri-food businesses as well as farmers in conducting and/or sub-contracting different de-mining activities.
- Financing schemes for small farmers offering to off-set loss of income where large parts of land are confirmed hazardous, enabling farmers to remain on their farms and make a living on their land even if not at full productive capacity. Such schemes should contribute towards progressive land release on affected holdings where possible.
- Financing schemes for corporate agri-business to incentivise de-mining of owned or leased land, in order to boost land use and production.
- Investments into Ukrainian innovation, digitalisation, modern technologies and in innovation in the de-mining sector, such as the use of drones and other technologies for non-technical and technical surveys.

⁽¹⁾ Specific attention will be given to Women entrepreneurs returning and relocating their business in Ukraine.

- Financing schemes to enhance capacities to produce demining equipment in Ukraine, stimulating industry to manufacture needed equipment.

TEAM EUROPE APPROACH AND JOINT PROPOSALS

One of the objectives of the UIF is to promote coordination, cooperation and a Team Europe approach. EFIs are encouraged to work together to submit joint applications, as well as partner with other organizations with strong presence in Ukraine that are not pillar-assessed. The aim of such approach is ensuring synergies and knowledge transfer, proliferating the benefits of UIF and avoiding multiplication of proposals targeting the same market segments/type of beneficiaries.

TIMELINE AND PROCESS

This Call for intermediated private lending operations is expected to materialise according to the following indicative timeline:

Tentative date	Milestone
18 June 2025	Fourth UIF Steering Board meeting: opinion on & opening of the Call
17 October 2025	Application deadline for proposals
November 2025	Technical Assessment Meeting
December 2025 (TBC)	Sixth UIF Steering Board meeting endorsing programmes

The dates of the Technical Assessment Meeting as well as the UIF Steering Board meeting may change depending on the number of proposals received and the estimated time necessary for the assessment process.

Proposals should be submitted by e-mail to: enest-EU-UKRAINE-INVESTMENT-FRAMEWORK@ec.europa.eu

Please, note that the European Commission reserves the right to extend the Call but also to suspend or amend it at any point in time. The proposals considered by the European Commission as urgent may be treated in an accelerated manner from the date of their submission with written consultation of the Steering Board.

SUBMISSION PROCESS

The submissions must include a duly filled UIF Application Form, with all relevant annexes.

The Application Form is largely modelled on the EFSD+ Open Architecture application form, with some adjustments and a number of features specific to UIF, including alignment with the Ukraine Facility policy priorities, alignment with specific UIF criteria/requirements and a new UIF Results Measurement Framework. The *Guidelines for Applicants*, attached to the present Call, provide detailed instructions on the type and extent of the information to be provided.

Following submissions, the assessment of the proposals will be conducted by the European Commission and the EU Delegation to Ukraine. This will be followed by a Technical Assessment Meeting (with the participation of the European Commission, EU Delegation,

EFIs and GoU) and submission to the UIF Steering Board (with the participation of EU Member States and European Commission, the European Parliament, the GoU and the Ukrainian Parliament). Please note, that the proposed projects will be consulted in detail with the GoU.

Given the emphasis of the UIF on fast deployment and to avoid delays in contracting and implementation, EFIs will be asked to indicate in the Application Form a target date by when they intend to sign the legal agreements with the European Commission. EFI should be ready to share a draft of the Term Sheet for guarantees or the draft of the Contribution Agreement for grants within one month from the Steering Board approval.

Annexes:

Annex I: Definitions

Annex II: Map of war-affected territories

In addition, the cover note will be accompanied by the following documents:

1. UIF Application Form to be filled-in by EFIs
2. UIF Guidelines for EFIs on how to fill the Application Form
3. (Results Measurement Framework)

Annex I: Definitions

A) MSME, SME+ and start-up

According to the EU Recommendation 2003/361, the main factors determining whether an enterprise is an SME are the staff headcount and either turnover or balance sheet total:

- A **Micro-enterprise** is defined as a company with fewer than 10 employees and an annual turnover below EUR 2 million or a total balance sheet of below EUR 2 million.
- An **SME** is defined as a company with fewer than 250 employees and an annual turnover below EUR 50 million, or a total balance sheet below 43 million.
- An **SME+** is defined as a company with fewer than 500 employees and/or an annual turnover below EUR 75 million.
- **Start-up:** an MSME following the definition of MSMEs above – across all sectors, at the initial stage of its life cycle (not older than 3 years), which is characterised by an innovative stance, a potential for rapid growth, external funding, and vulnerability.

A) War-affected group

War-affected territory

“War-affected territory” to be defined as a basic administrative units of Ukraine (communities, or “terytorialna hromada”) in which military operations are or were conducted, as identified by the Government of Ukraine in line with the Resolution #1364 dated 6 December 2022 on “Some Issues of Formation of the List of Territories in which Military Operations are (were) Conducted or Temporarily Occupied by the Russian Federation” and listed in the Order No. 309 dated 22 December 2022 “On Approval of the List of Territories in which Military Operations are Conducted (Were Conducted) or Temporarily Occupied by the Russian Federation”; and as well as first-level administrative division (regions, or “oblast”) in which the above referred communities are located.

At the time of writing, these regions include the following: Chernihiv, Dnipropetrovsk, Donetsk, Sumy, Kharkiv, Kherson, Mykolaiv, Zaporizhia, Luhansk oblasts (see Annex II).

War-affected company

“War-affected company” to be defined as a company that suffered destruction and/or losses of assets as a direct consequence of the Russia’s war of aggression, provided that the value of war-related losses or damages equals or exceeds 15% of the annual turnover of such company.

Eligible companies shall have their losses / damages registered in the “Register of Damage Caused by the Aggression of the Russian Federation Against Ukraine” of the National Security and Defence Council of Ukraine.

War Veteran and their family members

“War Veteran” to be defined by the law “On the Status of War Veterans, Guarantees of their Social Protection” ⁽²⁾, provided the War Veteran would have been eligible for such status based on his/her actions defending Ukraine or disabilities as a result of the war

(2) [Про статус ветеранів війни,... | від 22.10.1993 № 3551-XII.](#)

occurred from 2014 onwards; and excluding the “veterans of labour” category that is envisaged under this law when it was originally adopted in 1993.

“Family Member” of a War Veteran means a spouse, son/daughter, and/or parent, sibling.

In the framework of this call, the targeted company is in one of the following cases:

- a. it is a sole entrepreneur who is a war-veteran (with family members of WV), or a legal entity majority (more than 50%) owned and/or led by war-veteran(s) meaning having war-veterans in the highest executive positions; or
- b. has war-veterans representing more than 5% of its total permanent staff; or
- c. provides services to war-veterans to a significant extent (more than 20% of clients or revenues).

Internally Displaced Person (IDP)

“Internally Displaced Person” or “IDPs” is to be defined by the law “On Ensuring the Rights and Freedoms of Internally Displaced Persons” ⁽³⁾ as a citizen of Ukraine, a foreigner or a stateless person who is legally present on the territory of Ukraine and has the right for the permanent residence in Ukraine, who was forced to leave or abandon his/her/their place of residence as a result of or in order to avoid the negative consequences of the armed conflict, temporary occupation, widespread violence, human rights violations and natural or man-made emergencies.

In the framework of this call, the targeted company is in one of the following cases:

- a. a sole entrepreneur who is an IDP, or a legal entity majority (more than 50%) owned and/or led by IDP(s) meaning having IDPs in executive management positions; or
- b. has IDPs representing more than 5% of its total permanent staff; or
- c. provides services to IDPs to a significant extent (more than 20% of clients or revenues).

Returnee

“Returnee” is to be defined by the law “on Ensuring the Rights and Freedoms of Internally Displaced Persons”, as an individual who was previously an IDP or a refugee displaced in one of the EU Member State (holding the “EU temporary protection status”) and has voluntarily returned to his/her/their place of habitual residence after the situation that caused their displacement has improved or resolved.

In the framework of this call, the targeted company is in one of the following cases:

- a. a sole entrepreneur who is a Returnee, or a legal entity majority (more than 50%) owned and/or led by Returnee(s) meaning having a Returnee in executive management positions; or
- b. has Returnee representing more than 5% of its total permanent staff; or
- c. provides services to Returnee to a significant extent (more than 20% of clients or revenues).

⁽³⁾ [Про забезпечення прав і сво... | від 20.10.2014 № 1706-VII.](#)

A) Vulnerable group

Persons with disability

“Persons with disability” is defined by the law “On the Fundamentals of Social Protection of Persons with Disabilities in Ukraine” ⁽⁴⁾ as a person with a long-term disorder of physical, mental, intellectual, or sensory functions, which, when interacting with environmental barriers, limits their ability to participate fully and effectively in society on an equal basis with others.

In the framework of this call, the targeted company is one of the following cases:

- a. a person with disability as sole entrepreneur; or a legal entity majority (more than 50%) owned and/or led by a person with disability, meaning that the highest executive role within the company is held by a person with disability;
- b. has Persons with disability representing more than 5% of its total permanent staff; or
- c. a company providing services to Persons with disability to a significant extent (more than 20% of clients or revenues).

Women-led MSMEs

“Women-led MSMEs” defined as a private company following the definition of MSMEs above:

- a. a female sole entrepreneur ; or
- b. a legal entity majority owned (more than 50%) and/or led by a Woman/Women, meaning that the highest executive role within the company is held by a Woman/Women.

A special attention will be paid to supporting women entrepreneurs that have completed a degree in Sciences, Technology, Engineering, and Mathematics (STEM).

Youth-led MSMEs

“Youth-led MSMEs” is defined as a private company following the definition of MSMEs above – across all sectors, which falls one of the following cases:

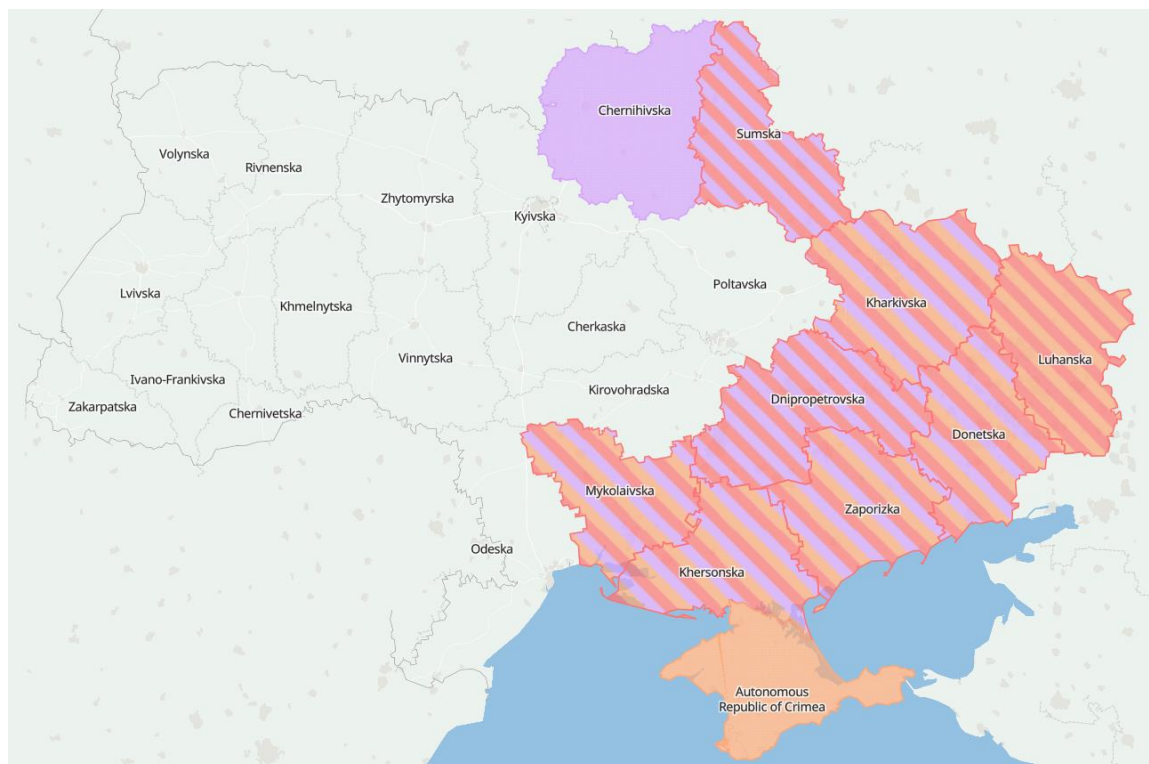
- a. a Youth (a person/ persons under the age of 35) sole entrepreneur; or
- b. a legal entity majority owned (more than 50%) and/or led by a Youth, meaning that the highest executive role within the company is held by a Youth.

Small farm

“Small Farm” defined as a Farm or Farm or MSME registered in the State Agricultural Register, cultivating less than 2 000 hectares and meeting other requirement for farms indicated in the Guidance Note of UIF Call. Specific attention will be given to small farms in a war-affected area.

⁽⁴⁾ [Law of Ukraine "About bases of social security of persons with disability in Ukraine"](#).

Annex II: Map of war-affected territories



Source: [Territories state map](#).