



співпраця з
німеччиною

DEUTSCHE ZUSAMMENARBEIT

KFW

Financial Cooperation with Ukraine



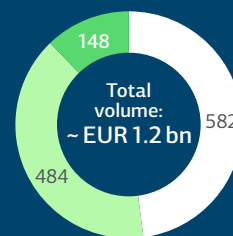


Ukraine: Our partner since the 1990s

KfW Development Bank has been a close partner and one of the top providers of development finance to Ukraine since the 1990s, mainly on behalf of the German Government and the EU. With an active portfolio of more than EUR 1.2 bn, KfW contributes to promoting transition and sustainable development in key areas of the Ukrainian Government's agenda, including the access to finance for micro, small and medium enterprises (MSMEs), support to internally displaced persons (IDPs) and returnees, energy efficiency, urban development, climate change and biodiversity conservation, and in general the EU integration.

Since February 2022, Germany through KfW has substantially scaled up its efforts to strengthen the country's resilience by way of grant funding, contributing to ensure macroeconomic and financial stability in the midst of a general state of war.

KfW is committed to supporting Ukraine's post-war reconstruction, transformation and EU integration efforts.



Current KfW Development Bank commitments in million EUR
as of May 2024

- Energy and climate
- Housing, social infrastructure and services
- Sustainable economic development

Our priority areas

Energy & climate

The electricity transmission network in Ukraine has been severely damaged by targeted Russian attacks. In cooperation with the state-owned power grid operator Ukrenergo and other international institutions, KfW is financing a programme to booster energy resilience, energy efficiency and energy security. The programme includes physical protection measures to reduce the risk of future damage through Russian drone attacks. The programme also aims to further integrate Ukraine into the EU electricity network and enhance the use of renewable energy.

KfW keeps supporting the Ukrainian government in its long-term efforts to reduce the negative effects of climate change and to protect biodiversity.

Housing, social infrastructure and services for IDPs and host communities

KfW has been a key partner to the Ukraine Social Investment Fund (USIF) since 2008. Through USIF, KfW is supporting various social infrastructure projects. In the past years, over 500 sites have been rehabilitated, upgraded and equipped, including medical facilities, schools, kindergartens, and water systems.

KfW is cooperating with a number of municipalities in Ukraine. For example, in Chernivtsi, the population has increased significantly since the Russian invasion in 2022, putting additional pressure on water supply and the sewage infrastructure. Germany and the EU are supporting the rehabilitation and modernisation of the city's water supply and sewage system through KfW. This will help to improve the living conditions and the sustainable development of Chernivtsi.

KfW works with the cities of Zhytomyr and Zaporizhzhia to rehabilitate up to 50 schools and kindergartens in an energy-efficient manner. Approximately 36,000 students and kindergarten children will benefit directly from the improvements.

To support the high number of IDPs and returnees, but also the host communities, KfW finances housing and community infrastructure. Multi-sectoral approaches seek to address diverse needs with regard to social security, child protection, education, health or the provision of clean drinking water. As a result, more than 9,000 IDPs will receive housing facilities, and 6.8 million conflict-affected children and their families are supported through improved social services.

Sustainable economic development

In order to stabilize the Ukrainian economy, KfW strives to promote sustainable economic development in several fields. For instance, together with the International Organization of Migration (IOM), KfW is supporting the integration of IDPs by providing grant funding to MSMEs. The aim of the measures being, for example, the relocation of businesses or the adaptation of product lines that have become necessary within the current context. So far, 753 businesses and start-ups have benefitted from German funding, 2,000 jobs have been created and over 5,000 existing ones preserved.

As agriculture is a key and vital sector for the Ukrainian economy, KfW is supporting MSMEs via the local financial sector to increase their productivity and their international competitiveness.

Support is also given to the Technical and Vocational Education and Training (TVET) infrastructure, including adequate equipment. This is done to ensure that Ukrainians have the skills needed to keep the economy running and to be well-prepared for the post-war phase. 13 schools in the Poltava, Vinnytsya, Rivne, Lviv and Chernivtsi regions will be rehabilitated and upgraded within the EU4Skills project.



Funds are another important instrument, allowing the Ukrainian private MSME sector and households to access much-needed financial resources. Funds supported by KfW in Ukraine include:

GGF (Green for Growth Fund)

The Green for Growth Fund has a regional scope. It was founded by KfW and EIB in 2009 with support from the Federal Ministry for Economic Cooperation and Development (BMZ) and the European Commission. The fund focusses on energy efficiency and renewable energy financing for MSMEs and private households via qualified local financial institutions. It also finances renewable energy projects in the target countries, including Ukraine.

www.ggf.lu

EFSE (European Fund for Southeast Europe)

The EFSE was established by KfW in 2005 with support from the BMZ and the European Commission. EFSE is one of the world's largest regional microfinance funds and has been actively engaged in Ukraine since 2010. Its mission is to foster economic development and prosperity in the target countries by providing additional development finance, notably to micro and small enterprises and to low-income private households, via qualified financial institutions.

www.efse.lu

BDF (Business Development Fund)

The BDF was co-founded by KfW as German-Ukrainian Fund in 1999. It is an institution designed to support MSMEs based on funding from the Ukrainian state budget or international donors. Total funding volume 2023 was roughly EUR 3.1 billion.

Key Partners:

- **Energy & climate:** Power Grid Operator Ukrenergo, Ministry of Energy, Ministry of Environmental Protection and Natural Resources.
- **Housing, social infrastructure and services for IDPs and host communities:** Ukrainian Social Investment Fund (USIF), State Fund for Support of Youth Housing, International Organization for Migration (IOM), Municipalities of Chernivtsi, Zhytomyr, Zaporizhzhia, UNICEF, Norwegian Refugee Council (NRC), Ministry for Communities, Territories and Infrastructure Development of Ukraine, Ministry for Reintegration of the Temporarily Occupied Territories of Ukraine.
- **Sustainable economic development:** IOM, USIF, Business Development Fund (BDF), Green for Growth Fund (GGF), European Fund for Southeast Europe (EFSE), Ministry of Finance.

Responsible banking

KfW is one of the world's leading and most experienced promotional banks. As an integral part of the KfW Group, KfW Development Bank carries out Germany's Financial Cooperation with developing countries and emerging economies on behalf of the Federal Government. The staff at its head office in Germany and in about 70 local offices cooperate with partners all over the world. Its goal is to combat poverty, secure peace, protect the environment and the climate, and make globalisation fair.

Alongside KfW Development Bank, the two Group subsidiaries KfW IPEX-Bank and DEG also have commitments abroad: while KfW IPEX-Bank is active in international project and export finance, DEG provides financing and consulting to companies investing in developing countries and emerging economies.

Contact us!

If you have any questions, feel free to contact our office in Kyiv, Ukraine. Our staff is looking forward to providing you with further information on KfW-financed projects in Ukraine.

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KFW



KfW Development Bank

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