

Ukraine: EIB and Ukreximbank enhance access to local currency funding for SMEs thanks to EU support



- €20 million is being made available in local currency to enhance access to affordable finance for SMEs in Ukraine.
- The operation is backed by the European Union and comes under the Team Europe initiative aiming to provide a sustainable response to the coronavirus crisis.

The European Investment Bank (EIB) has signed an agreement with the State Export-Import Bank of Ukraine ([Ukreximbank](#)) to increase the funding limit of the Deep and Comprehensive Free Trade Area (DCFTA) Support Facility project to €280 million. Additional financing, namely a €20 million loan, will be provided via a parallel cross-currency swap in Ukrainian hryvnia (UAH) and will be on-lent to local private businesses with a focus on small and medium-sized enterprises (SMEs).

Pricing conditions are being enhanced thanks to the European Union's contribution. The operation is part of Team Europe's overall response to the COVID-19 crisis, which aims to support the sustainable social and economic recovery of the region.

Furthermore, the operation has been made possible by the EIB's membership of TCX – the Currency Exchange Fund – which provides long-term local currency and interest rate derivatives in emerging market currencies to its investors and their clients.

Head of the EIB Resident Representation for Ukraine Jean-Erik de Zagon said: *“Improved access to affordable finance in local currency is one of our main priorities, especially at a time when SMEs need strong support to overcome the challenges and the liquidity shortfall created by the COVID-19 pandemic. We are thankful for the European Union's support and happy to be further extending our partnership with Ukreximbank, our long-standing partner in the country.”*

Head of Cooperation of the EU Delegation to Ukraine Frederik Coene said:

“More than ever during these challenging times, businesses need access to finance and affordable credit from banks. I am pleased to see that the EIB is providing a support package for SMEs and mid-caps in Ukraine as part of the European Union’s overall Team Europe relief effort. This assistance comes at a time when SMEs need strong support to overcome the challenges created by the COVID-19 pandemic.”

Chairman of the Management Board of Ukreximbank Ievgen Metsger said:

“Ukreximbank has a clear goal to direct additional financing to meet the specific and urgent needs of Ukrainian companies. It is very encouraging to see clients develop their businesses, start new areas of activity, modernise production, implement energy-efficient projects or enter new markets alongside the bank.”

About the EIB in Ukraine:

The [EIB has worked with Ukraine](#) since 2007. The EU bank is committed to supporting Ukraine and helping to create the conditions necessary to achieve economic stability. Ukraine has been the main recipient country of EIB support in the Eastern Neighbourhood, accounting for more than 60% of EIB lending activity in this region. As one of the key international financial institutions (IFIs) in Ukraine, the EIB focuses on social and economic infrastructure, transport and connectivity, local private sector development, energy efficiency, climate action, and innovation. The Bank supports the private sector primarily through financial intermediation, and also by providing direct loans to selected large companies. Notably, the EIB was the first IFI to make long-term funding in local currency available to a local bank in support of Ukrainian SMEs.