

THE

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IMPACT ENTREPRENEURSHIP AND INVESTMENT FOR UKRAINE'S RECOVERY

Report | April 2025



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WHY IMPACT INVESTING MATTERS MORE THAN EVER

A call to action for rebuilding Ukraine through purpose-driven capital



EWA KONCZAL

Market Building Lead,
Impact Europe

“In times of crisis, impact investing is more than just a financial strategy — it is a catalyst for lasting social and economic resilience. By directing capital toward enterprises that generate not only profits but also measurable social impact, impact investing strengthens local economies, fosters innovation, and creates sustainable livelihoods. For Ukraine, this approach is crucial in rebuilding communities, empowering entrepreneurs, and ensuring that recovery efforts are sustainable. Now more than ever, we need investments that don’t just rebuild but also reimagine a stronger, more equitable future.”



JONATHAN ROBINSON

Co-founder of Impact Hub and Civic
Co-Lead, The Possible

“Ukraine’s renewal will be powered by the ingenuity, imagination and resolve of entrepreneurs who are driven by a calling to make the world better. And nowhere on earth right now are there more purpose-driven, courageous entrepreneurs than in Ukraine. They deserve all the support we can muster”



ANASTASIA SLEPTSOVA

Co-Lead, The Possible

“In Ukraine, businesses are not just surviving the war — they are stepping up as drivers of resilience and recovery. We see a powerful shift where companies are integrating impact into their core operations: supporting their communities, restoring infrastructure beyond commercial interests, innovating under immense pressure, and actively backing Ukraine’s defense. This aligns with global post-crisis recovery patterns, where the private sector plays a crucial role in rebuilding economies. By fostering and investing in these impact-driven businesses, Ukraine is not only accelerating its recovery but also setting the foundation for a more resilient, self-sustaining future.”

RENEWING UKRAINE WITH ENTERPRISING SPIRIT

THE POSSIBLE is an innovative platform aimed to empower impact-driven entrepreneurs to be at the forefront of the long-term renewal of the country through financial and non-financial support.

It operates through three core pillars:

- Alliance – A network of partners to amplify collective impact.
- Fund – Providing financial resources to scale impactful solutions.
- Place-based Labs – Establishing localised hubs to empower and support local entrepreneurs.

FUND

A facility aiming to support impact-driven entrepreneurs to grow with catalytic capital.

ALLIANCE

Of 17 organisations that invests, supports and believes in the power of impact-driven entrepreneurs.

LABS

A place-based approach to build an impact ecosystem and support impact entrepreneurs

OUR IMPACT

€3.5M invested in social and impact entrepreneurs

+8K businesses received non-financial support (1:1 mentorship, webinars, workshops, etc.)

+500 hours of personalised mentorship and consultations covering all aspects of business development

+100 entrepreneurs received financial support

+100 Online and offline events, workshops, webinars, and trainings

+15 Programs for Impact Entrepreneurs featuring top national and international experts & in collaborations with prestigious institutions (e.g., UC Berkeley, Climate KIC, CINC)

FOCUS AREAS

SOCIAL BUSINESSES

COMMUNITY BUSINESSES

GREEN BUSINESSES

VETERAN BUSINESSES

THE POSSIBLE ALLIANCE



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EXECUTIVE SUMMARY

This report explores the current landscape of impact entrepreneurship in Ukraine, highlighting the challenges, opportunities, and successes of entrepreneurs who are shaping the future of the country. By examining the role of businesses, government bodies, NGOs, and international organizations, the report provides insights into how impact-driven ventures are contributing to Ukraine's renewal and what more can be done to support this ecosystem.

CREATED BY:

The Possible Alliance:



CONTRIBUTORS:



OBJECTIVES

- **ASSESS THE CURRENT LANDSCAPE:** Provide an overview of the current state of impact entrepreneurship in Ukraine, including key sectors, trends, and challenges.
- **PROMOTE SOCIAL AND ENVIRONMENTAL RESPONSIBILITY:** Emphasize the importance of socially and environmentally responsible business practices, and how they contribute to Ukraine's recovery.
- **PROVIDE AN OVERVIEW OF IMPACT INVESTING IN UKRAINE:** Examine the current state of the impact investing ecosystem in Ukraine.
- **IDENTIFY KEY CHALLENGES AND OPPORTUNITIES FOR IMPACT ENTREPRENEURSHIP IN UKRAINE:** Analyse the key barriers faced by impact entrepreneurs in Ukraine, such as access to funding, regulatory challenges, and market constraints.
- **IDENTIFY OPPORTUNITIES FOR GROWTH AND RENEWAL:** Highlight the resilience and renewal opportunities for Ukraine's impact entrepreneurs, outlining growth potential and how these ventures contribute to post-crisis economic recovery.

KEY FINDINGS:

IMPACT ENTREPRENEURSHIP AS A DRIVER OF RECOVERY

- Impact-driven businesses are key to Ukraine's reconstruction, addressing urgent social and environmental needs while creating jobs and fostering economic stability.
- Impact enterprises provide rehabilitation services, reintegrate displaced populations and veterans, and restore critical infrastructure, and many more.

THE STATE OF IMPACT INVESTING IN UKRAINE

- Ukraine's impact investing ecosystem is expanding, yet challenges persist, including limited access to capital, a lack of standardised impact measurement frameworks, and regulatory hurdles.
- Only 8% of firms have accessed support through direct governmental support programs for firms.
- Ukraine requires \$524 billion for recovery, presenting significant opportunities for impact investors.

KEY MARKET DEVELOPMENTS

- Since 2023, The Possible Alliance has invested over €3.5 million in Ukrainian impact-driven businesses — yet the demand for funding continues to far exceed supply. In parallel, more than 8,000 businesses have benefited from non-financial support, including mentorship, training, and workshops delivered by members of the Alliance.
- Nearly 100 entrepreneurs have secured funding to scale their impact-driven solutions by The Possible Alliance.
- Women are leading Ukraine's impact entrepreneurship movement: 61% of new business registrations in 2024 were initiated by women and 65% of the leaders of social change in Ukraine are women.

OPPORTUNITIES AND GLOBAL RELEVANCE

- Ukraine's impact economy is positioned to lead Eastern Europe's transformation, with growing international interest in sustainable investments.
- The country's EU accession process and regulatory reforms create a favorable investment climate.
- Emerging financial models, such as blended finance and catalytic capital, can unlock new opportunities for businesses focused on social impact.

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INTRODUCTION

THE POWER OF IMPACT: KEY TO UKRAINE'S RESILIENCE

Impact entrepreneurship has emerged as a key driver of positive change in Ukraine, with a growing number of entrepreneurs harnessing their ventures to address social, environmental, and economic issues. These entrepreneurs are not only building profitable businesses but also contributing to the country's recovery by creating jobs, fostering innovation, and solving pressing societal and environmental challenges.

The rise of impact-driven enterprises in Ukraine reflects a broader global trend where businesses are increasingly being recognized as catalysts for change. In Ukraine, this movement is particularly crucial, as it aligns with the nation's urgent need for rebuilding and renewing, sustainable development, and long-term resilience.

BUSINESSES ARE GETTING BACK UP AND RUNNING JUST HOURS AFTER ATTACKS

with **77%**¹ of businesses now operate without restrictions despite ongoing war

Kharkiv coffe shop
November 2023



Kyiv Salon
December 2023



Odesa shop
December 2023



RESILIENCE IS IN ABUNDANCE, BUT SUPPORT FOR RENEWAL IS CRITICAL

The nation faces

- **15% UNEMPLOYMENT RATE**², exacerbated by the destruction of infrastructure
- The displacement of over **3.7 MILLION PEOPLE**³ within Ukraine
- A growing population of **VETERANS** and **PEOPLE WITH DISABILITIES** who need support to reintegrate into society and the workforce

NOW IS THE TIME TO BE PART OF THE SOLUTION BY EMPOWERING IMPACT-DRIVEN ENTREPRENEURS WHO ARE CRUCIAL TO RENEWING AND REBUILDING UKRAINE'S ECONOMY AND SOCIETY.

IMPACT ENTREPRENEURS FOCUSES ON BUSINESSES THAT CREATE ECONOMIC, SOCIAL, AND ENVIRONMENTAL VALUE, ADDRESSING URGENT NEEDS SUCH AS JOB CREATION, ECONOMIC RECOVERY, AND SOCIAL INCLUSION.

1. [European Business Association](#)

2. [IOM](#)

3. [UNHCR](#)

ENTREPRENEURSHIP AS A RECOVERY ENGINE

\$524B NEEDED FOR UKRAINE'S RECOVERY AND RECONSTRUCTION

Ukraine will require \$524 billion¹ for recovery and reconstruction over the next decade, covering both public and private sector needs. While the RDNA4¹ assessment focuses on war-related damage and rebuilding, the long-term estimate reflects plans to modernize infrastructure to low-carbon, resilient standards.

Despite immense challenges, Ukrainian businesses are adapting. SMEs and startups are driving resilience, with business activity rebounding in key sectors.

SME loans under the **5-7-9%** program reached **\$765 MILLION**, with **57%** supporting women-led enterprises

Only **8%** of firms have accessed support through direct governmental support programs for firms

New investment incentives & risk mitigation tools are being developed to attract both domestic and international capital

RECOVERY ISN'T JUST ABOUT REBUILDING INFRASTRUCTURE — it's about empowering Ukraine's entrepreneurs to create sustainable economic growth. The private sector must be at the heart of reconstruction, unlocking innovation, jobs, and long-term prosperity.

THE POSSIBLE ALLIANCE AND FUND is working at the intersection of impact investment, policy innovation, and ecosystem building — mobilising catalytic capital to support entrepreneurs and SMEs addressing critical challenges in energy, housing, healthcare, digital transformation, and local economic development.



OLENA KALIBABA

CEO of Ukrainian Social Venture Fund

"Ukraine's economic recovery requires a focus on impact entrepreneurship as a driver of systemic change, not just short-term reconstruction. With extensive damage to infrastructure, social systems, and local economies, the role of impact enterprises extends beyond job creation—they act as incubators for community-driven solutions, technological advancements, and environmentally sustainable models. By prioritizing investments in small and medium enterprises that address real social challenges and deliver scalable impact, Ukraine can rebuild a more inclusive and resilient economy. These enterprises will not only help restore critical services and industries but also lay the groundwork for long-term equitable growth and innovation-driven development."

1. Fourth Rapid Damage and Needs Assessment (RDNA4)

KEY DEFINITIONS

IMPACT ENTREPRENEURSHIP: Also known as mindful entrepreneurship, social economy entrepreneurship, or social entrepreneurship, involves creating businesses that integrate financial profitability with a commitment to solving social and environmental challenges.

IMPACT-DRIVEN BUSINESS: Enterprises focused on achieving a specific social or environmental goal as their primary purpose, alongside financial returns.

IMPACT INVESTING: Investments made to achieve measurable social and environmental impact alongside financial returns.

IMPACT MEASUREMENT AND MANAGEMENT (IMM): The process of defining, tracking, and assessing the social, environmental, and financial outcomes of investments, programs, or initiatives. IMM involves setting clear goals, measuring progress using data-driven metrics, and making informed decisions to maximize impact.

BLENDED FINANCE: A combination of financing mechanisms designed to meet the needs of for-purpose organisations – for example, part debt and part grants. It typically involves impact investors with different expectations working together to provide capital to impact investment deals.

CATALYTIC CAPITAL: Investment designed to de-risk or attract additional private-sector investment for high-impact projects.

DEBT FINANCING: A type of financing in which a company borrows money from a lender and agrees to repay it over time with interest.

ESG: Environmental, social, and governance (ESG) criteria are a set of standards for a company's operations that socially conscious investors use to screen potential investments. Environmental criteria look at how a company performs as a steward of nature. Social criteria examine how a company manages relationships with its employees, suppliers, customers and the communities where it operates. Governance deals with a company's leadership, executive pay, audits, internal controls and shareholder rights. See also 'sustainable and responsible investing'.

GREEN FINANCE: Financial products and investments that support environmental sustainability, including renewable energy, clean transportation, and climate resilience projects.

INNOVATIVE FINANCE: A range of creative financial solutions and mechanisms designed to mobilise resources to address social and environmental challenges. Examples include social impact bonds, blended finance, crowdfunding, and pay-for-success models — each aimed at bridging funding gaps and unlocking new sources of capital.

MATCHING GRANT: A funding mechanism whereby a donor agrees to match the contributions of other funders—typically on a pound-for-pound or percentage basis — to incentivise participation and amplify the impact of the original funding.

SOCIAL ECONOMY: Includes a variety of businesses, organisations, and legal entities such as social enterprises, cooperatives, mutual benefit societies (a specific type of collective insurance), non-profits, and foundations. These entities place people and the environment at the centre of their mission and reinvest most of their profits into the organisation or a specific social cause. They are governed in a participatory, bottom-up manner.

SOCIAL IMPACT: The measurable positive effect of a project or business on society or the environment.

PHILANTHROPY: The planned and structured giving of time, information, goods and services, voice and influence, as well as money, to improve the wellbeing of humanity and the community.

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**GLOBAL LESSONS,
LOCAL RELEVANCE**

THE STATE OF SOCIAL ENTERPRISE

Social enterprises are reshaping economies and societies worldwide by prioritizing purpose over profit. These mission-driven businesses tackle pressing social and environmental challenges while maintaining financial sustainability. Their impact is undeniable, as shown by key global figures:

10 MILLION SOCIAL ENTERPRISES

Around 10 million social enterprises globally, all united by the commitment to creating positive change over maximising profits.

200 MILLION JOBS CREATED

Social enterprises provide 200 million jobs across diverse industries, including agriculture, healthcare, education, and financial services, fostering economic resilience and inclusivity.

1 IN 2 LED BY WOMEN

Social enterprises are leading the way in gender equality, with one in two being female-led, compared to just one in five in traditional business sectors.

\$2 TRILLION IN ANNUAL REVENUE

The sector is generating approximately \$2 trillion in revenue each year, proving that businesses with a social mission can also be economically viable.

\$1.1 TRILLION FINANCING NEED

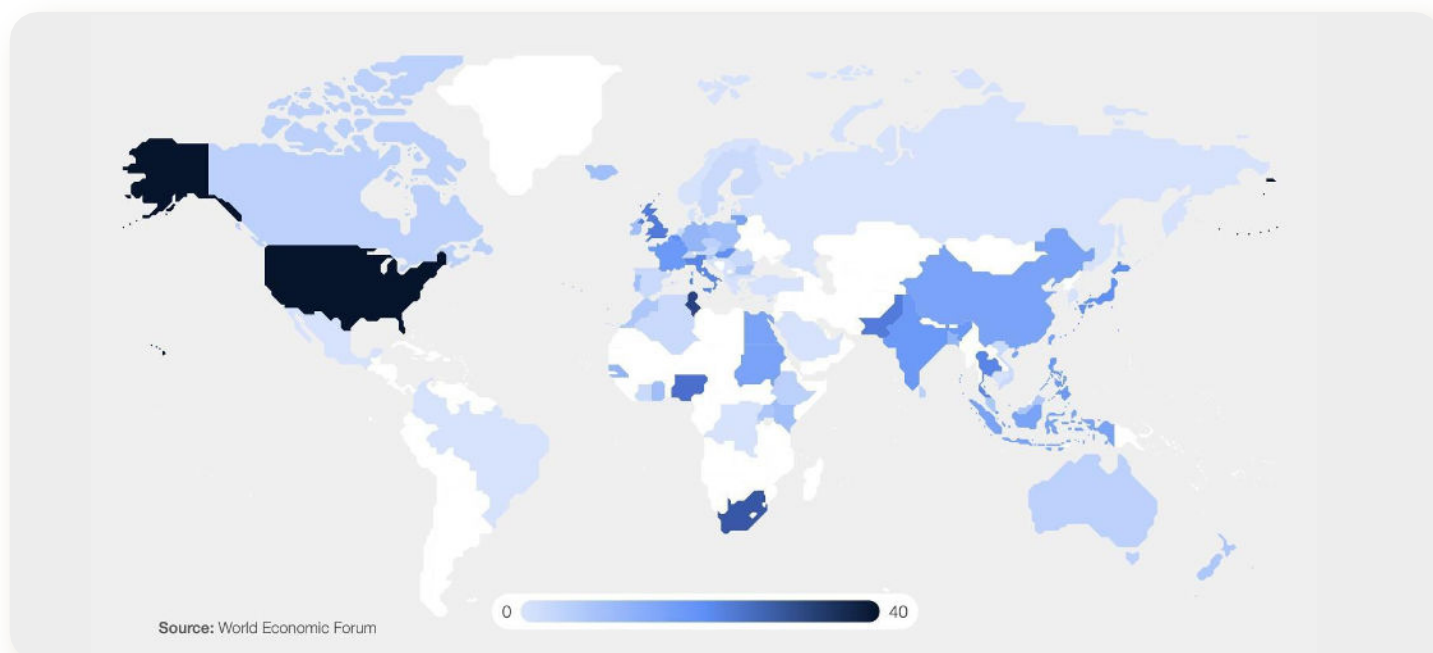
Despite their growth, social enterprises require \$1.1 trillion in external financing, highlighting a massive opportunity for impact investors, governments, and financial institutions to fuel further expansion.

TWICE THE SIZE OF THE ADVERTISING INDUSTRY

The social enterprise sector is larger than the \$1.57 trillion apparel industry and twice the size of the \$875 billion advertising industry, making it a formidable force in the global economy.

With growing consumer demand for ethical businesses, increasing impact investment, and policy recognition, social enterprises are set to play an even bigger role in solving global challenges and driving inclusive, sustainable growth.

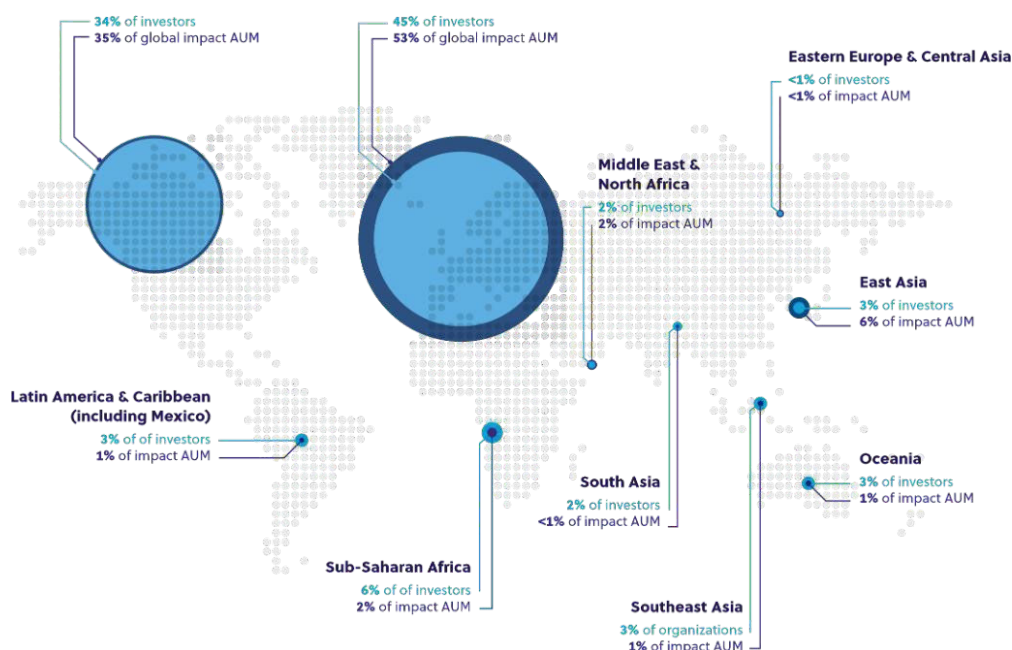
ESTIMATED NUMBER OF SOCIAL ENTERPRISES PER 10,000 PEOPLE (FOR COUNTRIES WITH AVAILABLE DATA)



GLOBAL IMPACT INVESTING MARKET

The GIIN estimates that over 3,907 organizations currently manage **\$1.571 TRILLION USD in impact investing assets under management (AUM) worldwide**, representing 21% compound annual growth (CAGR) of the total impact investing market since 2019.

Investment managers accounted for the majority of organizations in the sample (59%) and represented 27% of global impact AUM. Pension funds accounted for 14% of organisations in the sample but represented the plurality of AUM at 29%. Insurance companies, meanwhile, represented just 4% of the sample, but 19% of AUM. Other organization types in the sample included development finance institutions (5%), foundations (5%) and banks (4%).



JOHANN HEEP

Social Banking Developer
Erste Group Bank AG,
Austria

WHICH OF THE FOLLOWING OPPORTUNITIES IN THE GLOBAL IMPACT INVESTING INDUSTRY WILL YOU PRIORITIZE OVER THE NEXT 12 MONTHS?

- Circular economy and scalable energy efficiency
- Supporting local entrepreneurs in underserved communities
- Scaling technologies for social and environmental impact

ARE THERE ANY INTERNATIONAL BEST PRACTICES OR MODELS OF IMPACT INVESTING THAT YOUR COUNTRY HAS SUCCESSFULLY ADOPTED?

- Social Impact Bond
- Quasi Equity Investments

BASED ON YOUR EXPERIENCE, WHAT LESSONS FROM YOUR OR OTHER COUNTRIES CAN UKRAINE ADOPT TO STRENGTHEN ITS IMPACT INVESTING ECOSYSTEM?

- Strong collaboration with policy makers
- Start small, test, improve, find collaborations, scale up and share best practices. Creating high impact enterprise scaling programmes like “Marc” are heavily needed support initiatives to grow Social Business impact and increase their stability

Impact investing in Eastern Europe is gaining momentum, though it remains a relatively small segment within the global impact investment landscape. The global impact investing market has over \$1.5 trillion of Assets under Management (AuM), while Eastern Europe and Central Asia collectively account for less than 1% of these assets.¹

CHALLENGES:

LOW AWARENESS:

Many entrepreneurs, financial institutions, and policymakers in Eastern Europe are not familiar with impact investing. This limits both potential investors and organizations seeking funding.

LIMITED ACCESS TO FINANCE:

Social enterprises struggle to find funding due to underdeveloped financial systems and a lack of investors interested in both social and financial returns. There's also a need for long-term, patient capital, but most funding is short-term and focused on quick results.

REGULATORY BARRIERS:

Complex and inconsistent regulations across countries make it difficult for investors to navigate the market. Cross-border investments are further complicated by different tax rules and legal frameworks.

WEAK SUPPORT STRUCTURES:

There are few networks, intermediaries, and platforms to connect investors with social enterprises. The lack of incubators, accelerators, and advisory services slows the growth of impact investing in the region.

OPPORTUNITIES AND REGIONAL

The 2018 Deloitte Social Investment Leveraging Index (DSILI), developed in partnership with the European Venture Philanthropy Association (EVPA – Impact Europe as of 2023) and the Global Social Entrepreneurship Network (GSEN), underscores the significant potential for social returns through impact investing in Central and Eastern Europe.² The report highlights the diverse opportunities across four sub-regions: the Balkans, South Eastern Europe, the Baltics, and the Visegrad countries. Each of these regions presents unique social challenges and investment opportunities, from addressing youth unemployment and fostering inclusive education to promoting renewable energy and healthcare innovations.

The DSILI report argues that targeted investments in these areas contribute not only to local social and economic development but also to the broader goal of a more integrated and resilient Europe. By leveraging social investments, Eastern Europe can address pressing societal issues, stimulate economic growth, and foster social cohesion, thereby enhancing its role within the global impact investing landscape.

1. [GIIN - Sizing the Impact Investing Market 2024](#)

2. [Deloitte - Social Investment Leveraging Index](#)

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DRIVING CHANGE:

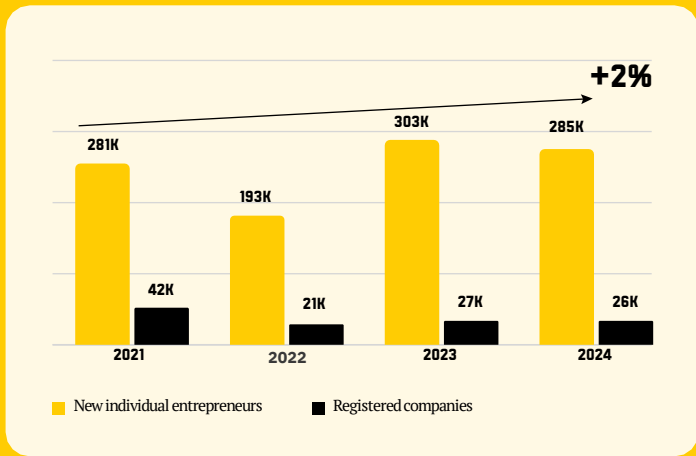
Impact entrepreneurship in Ukraine

NATURE OF ENTREPRENEURSHIP IN UKRAINE

Amidst the challenges of war and widespread power outages, Ukrainian entrepreneurs have continued to drive business growth. They are the foundation of the new Ukrainian economy, built on private ownership, personal responsibility, and the absence of corruption. There are 2.1 million entrepreneurs in Ukraine.¹

Sole proprietors (FOPs) play a vital role in the country's development. In recent years, their contributions have grown fivefold — in 2019 alone, the "FOP economy" generated \$1 billion for Ukraine.¹

ENTREPRENEURSHIP ON THE RISE IN UKRAINE^{2,3}



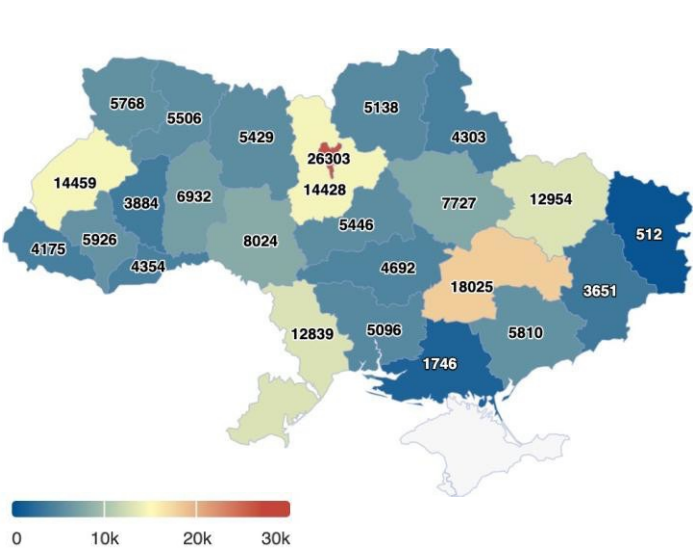
2024 SNAPSHOT: INDIVIDUAL ENTREPRENEURSHIP IN UKRAINE³

- 284,878 new sole proprietorships (FOPs) were opened in 2024
- 61% of new businesses are started by women
- 209,750 FOPs were closed during the same period. More than one-third of new businesses shut down within their first year of operation.

Women have registered significantly more sole proprietorships (FOPs) than men: over 61% (173.7 thousand) of new FOPs belong to women, while 39% (111.2 thousand) were registered by men. This figure has increased compared to 2023 when women accounted for nearly 58% of newly established FOPs.

The median lifespan of individual entrepreneurs who closed this year is 2 years and 7 months, underscoring the tough environment for emerging enterprises.³

SOLE PROPRIETORSHIPS REGISTRATIONS IN JAN - SEP 2024⁴

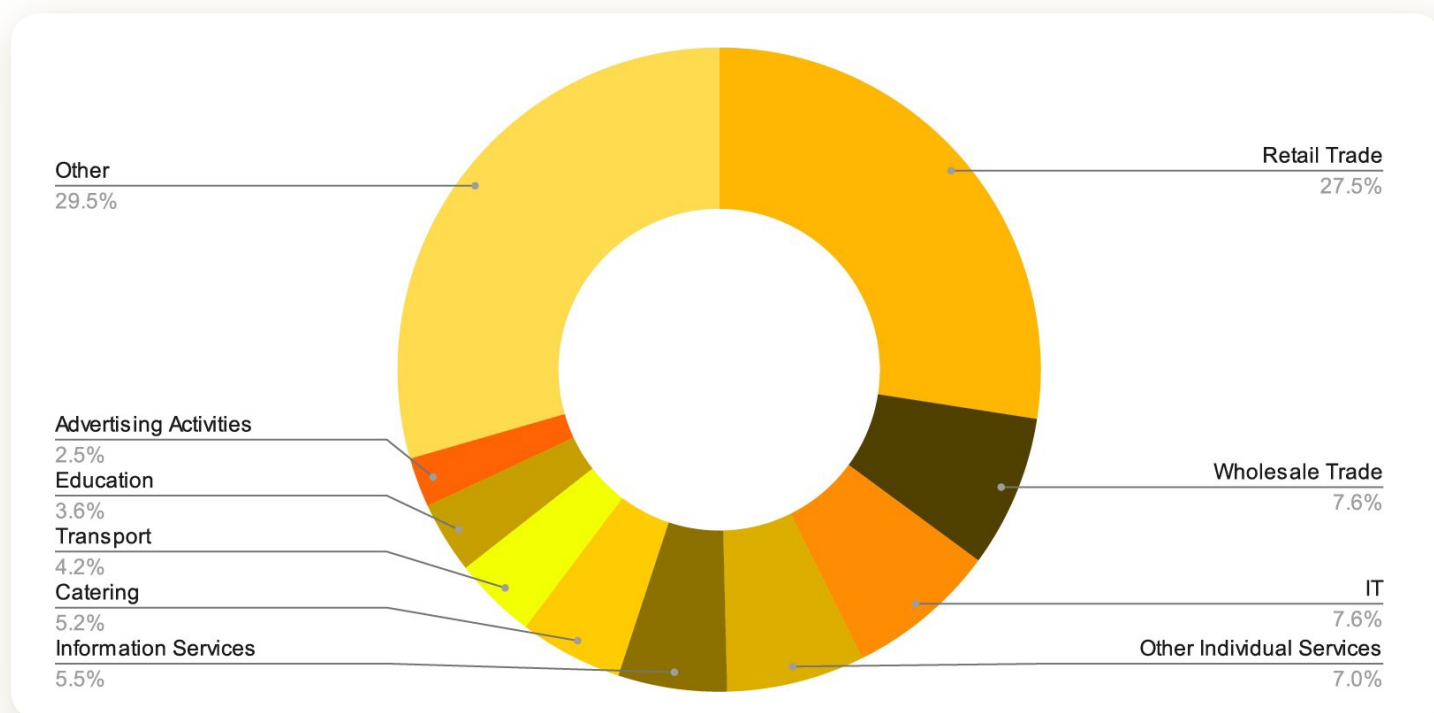


Entrepreneurs in Ukraine have shown a remarkable drive for new business ventures, with Kyiv leading the way by registering 26,303 new individual entrepreneurs, accounting for 13.6% of the total nationwide.

This surge in entrepreneurial activity extends beyond Kyiv, as regions like Dnipro (18,025 new businesses), Lviv (14,459), Kyiv Oblast (14,428), and Kharkiv (12,954) are also experiencing significant growth in new business registrations.⁴

1. [Opendatabot Statistics as of 30 Jan 2025](#)
2. [USR](#)
3. [YC Market as of 18 Dec 2024](#)
4. [Opendatabot as of 2 Sep 2024](#)

NUMBER OF NEW INDIVIDUAL ENTREPRENEURS IN JAN - AUG 2024



One-third of new businesses in Ukraine are emerging in the retail trade sector, with the IT sector attracting 7.6% of new entrepreneurs.

Despite facing significant challenges, Ukraine has managed to uphold a strong physical infrastructure for entrepreneurship, as highlighted in the most recent Global Entrepreneurship Monitor (GEM) Global Report, titled "25 Years and Growing."² Even in the midst of the upheaval caused by conflict with Russian invasion,

- **ONE IN FIVE ADULTS** in Ukraine were already starting or running a new business last year
- **ONE IN 20** are established business owners
- **ONE IN FOUR ADULTS** in Ukraine were involved in running a new or established business

The following conditions were rated as poor by GEM:

1. Government entrepreneurial programs.
2. Ukraine reported the highest proportion of adults — across 46 economies — who stated that their household income had declined in 2023, with over 7/10 affected.
3. The quality of social support for women entrepreneurs.

REGULATORY LANDSCAPE

The Ukrainian government has implemented measures to support entrepreneurship amidst the ongoing conflict. These initiatives include the "Affordable Credits" program, which offers financing to businesses in de-occupied areas. The program has since expanded to cover sectors such as arms and energy production, and now provides additional loan opportunities for agricultural enterprises.

Additionally, a new law, developed with the participation of experts from the EU4Business permits businesses to obtain permits and licenses through a simplified free declaration process during martial law, eliminating the need for formal approval.

Following the onset of the full-scale invasion, the National Bank of Ukraine (NBU) implemented stringent currency controls to preserve the country's financial stability. On February 24, 2022, a resolution was passed that barred businesses from withdrawing foreign currency from Ukraine — introducing an unprecedented challenge for companies. Over time, however, the NBU has started to gradually relax these restrictions.

1. [Opendatabot Statistics as of 2 September 2024](#)

2. [Global Entrepreneurship Monitor \(GEM\) Global Report](#)

In June 2023, the National Bank of Ukraine (NBU) adopted a strategy¹ aimed at gradually easing currency restrictions, increasing exchange rate flexibility, and reinstating inflation targeting. The development of this strategy was a key structural benchmark under the Extended Fund Facility program with the International Monetary Fund (IMF), and it has now been successfully implemented.

In May 2023, the regulator announced the largest package² of currency liberalisation steps for businesses since the beginning of the full-scale war:

The NBU's liberalisation measures encompass several key areas³:

- **Removal of currency restrictions on imports:** All currency restrictions on the import of works and services have been lifted.
- **Dividend repatriation:** Businesses are now allowed to repatriate "new" dividends on corporate rights or shares earned from operations starting January 1, 2024. This relaxation does not apply to dividends from retained earnings or reserve capital from previous periods. The monthly limit for repatriating "new" dividends is capped at €1 million.
- **Leasing and rental transfers:** Businesses can now transfer funds abroad under leasing or rental agreements.
- **Simplified loan servicing:** The process for residents to purchase foreign currency for servicing and repaying "new" external loans (received in foreign currency after June 20, 2023) has been simplified. The minimum period for using a "new" loan before purchasing foreign currency for repayment has been reduced from three years to one year. Additionally, companies are allowed to purchase foreign currency to pay interest on "new" loans, regardless of the loan term.
- **Repayment of interest on "Old" Loans:** The NBU now allows businesses to repay interest on "old" external loans due from February 24, 2022. For overdue interest payments (as of May 1, 2024), businesses may transfer up to €1 million per calendar quarter. This limit does not apply to future scheduled interest payments.

On 10 September 2024, the National Bank of Ukraine is introducing amendments to the current foreign exchange restrictions. On the one hand, the NBU is relaxing a number of restrictions, and on the other hand, it is taking measures to prevent unproductive capital outflows from Ukraine.⁴

THE AMENDMENTS WILL APPLY TO:

Carbon dioxide emissions compensation	Reinsurance contracts with foreign nuclear insurance pools	E-commerce VAT payments in the EU	Reimbursement for Eurobond coupon payments	New transaction limits
State-owned companies can purchase and transfer foreign currency to nonresidents for emission quotas related to CO2 emissions in aviation, supporting defense procurement and military cooperation.	NBU will allow payments under reinsurance agreements, including break-even bonuses, to support the Nuclear Insurance Pool's obligations without significantly affecting international reserves.	Resident legal entities in e-commerce can purchase and transfer foreign currency to pay VAT on goods sold to EU consumers, promoting SME growth in the EU market without harming international reserves	Businesses can receive reimbursement for coupon payments on Eurobonds made between February 24, 2022, and July 9, 2024, using their own foreign currency, ensuring no negative impact on reserves.	100,000 Ukrainian hryvnia (\$2,450) monthly limit on transactions for watches, jewelry, and precious metals. 500,000 Ukrainian hryvnia (\$12,060) monthly limit on real estate agent and management transactions abroad.

1. [NBU - NBU Approves Strategy for Easing FX restrictions](#)

2. [NBU - Currency Liberalization Continues](#)

3. [Ukrainian business needs further steps towards currency liberalization - GMK Center](#)

4. [NBU - NBU Eases FX Restrictions for Businesses and Tightens Some Regulations to Prevent Unproductive Capital Outflows](#)

KEY CHALLENGES THAT BUSINESSES IN UKRAINE ARE CURRENTLY FACING:

POWER SHORTAGES:

Limited access to electricity, with only 2-6 hours of supply per day in some regions, hinders production, especially for energy-dependent businesses like bakeries.

DISRUPTION IN WORKFORCE:

The demands of the frontline, including military mobilisation, make it challenging to retain male workers, especially for small businesses without exemptions.

TRAINING DELAYS:

The lack of skilled workers means businesses may need to invest in long-term training, but many are unsure if they will survive long enough to benefit from this investment.

SECURITY RISKS:

Ongoing conflict, missile attacks, and the threat of infrastructure damage pose constant risks to business operations, facilities, and workers.

LACK OF FINANCIAL RESOURCES:

Many small businesses struggle to secure financing or loans to sustain operations, especially as financial institutions focus on larger enterprises.

SKILLED LABOR SHORTAGE:

Mass migration from small towns and villages to big cities or abroad has intensified since the 2022 invasion, making it difficult to find skilled workers.

DIFFICULTY IN HIRING AND RETENTION:

With increased migration and the absence of economic mobilization exemptions for small business owners, finding and keeping workers has become more complicated.

LOGISTICAL DISRUPTIONS:

Transporting goods and supplies within the country and across borders is often delayed or complicated due to damaged roads, checkpoints, and border controls.

DECREASED CONSUMER DEMAND:

Economic instability has reduced consumer spending, making it harder for businesses to maintain steady sales and revenues.

UNPREDICTABLE REGULATORY ENVIRONMENT:

With frequent changes in laws and regulations due to martial law, businesses face uncertainty in compliance and operational continuity.

WHAT ARE YOUR KEYS COMPANY'S CHALLENGES WITH REGARD TO DOING BUSINESS IN 2024?

A recent survey by the American Chamber of Commerce Ukraine¹ found that **86%** of its member companies are fully operational, **12%** are partially operational and **2%** have closed. But there are challenges. For example, **30%** of the companies reported having infrastructure damage and **85%** are concerned about their employees' health and mental well-being.



1. American Chamber of Commerce Ukraine

IMPACT ENTREPRENEURS HIP LANDSCAPE IN UKRAINE

Impact-driven entrepreneurs and social enterprises will be essential to Ukraine's resilience during the war and its subsequent reconstruction, influencing both the social and economic spheres. To foster a robust society and economy, the country should prioritise the development of a vibrant social economy — harnessing technology and innovation to create a powerful ecosystem for social impact. Social entrepreneurs can act as catalysts for change, with a deep understanding of local community needs and the ability to deliver effective solutions.

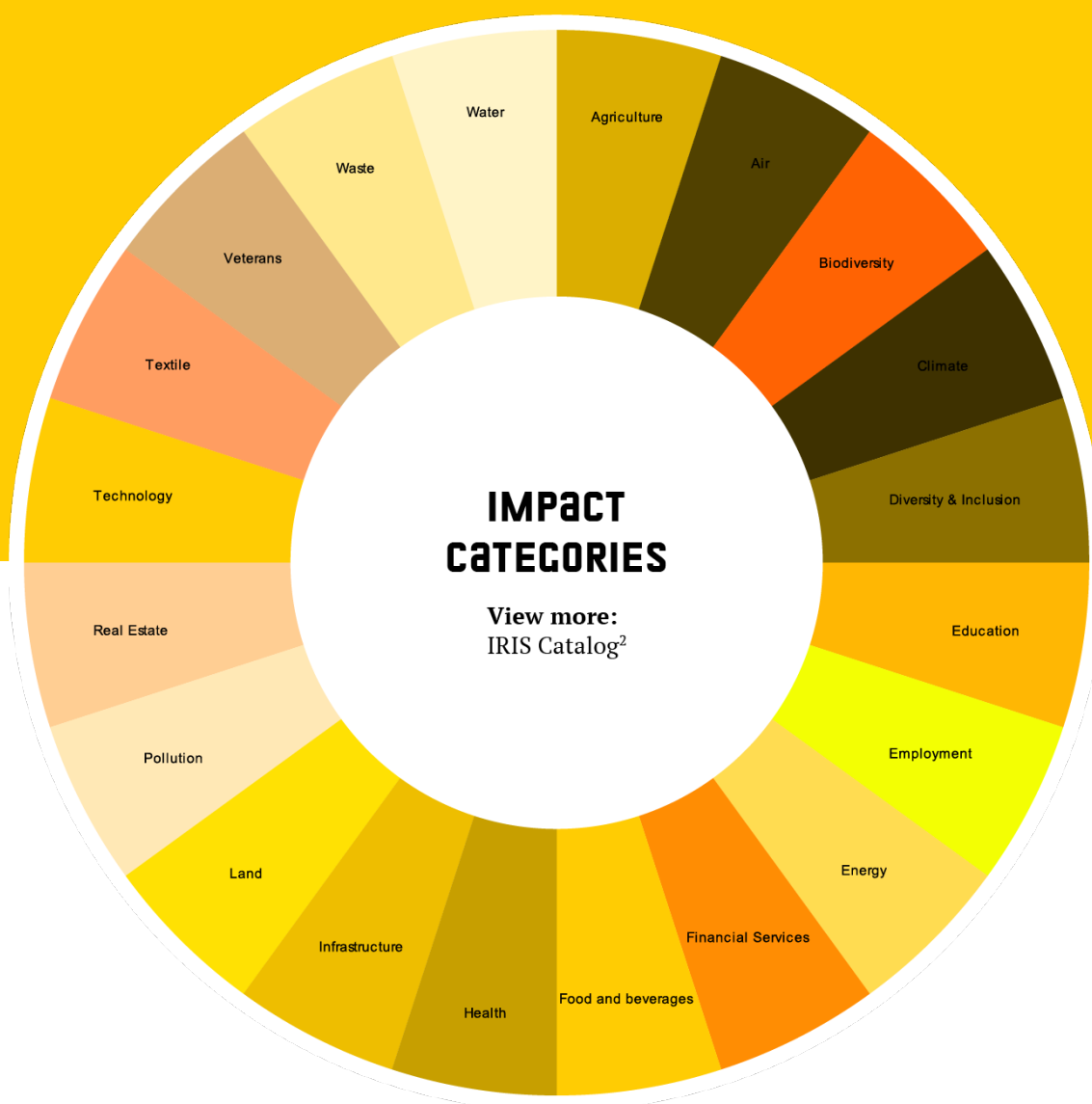
“Ukrainians exemplify how the social economy can thrive, especially when traditional networks falter during challenging times, necessitating innovative approaches. We will soon learn from Ukraine about shaping social enterprises,” stated Remigijus Šimašius, the Mayor of Vilnius.¹

IMPACT-DRIVEN BUSINESSES

build solutions that help to reduce carbon footprint, implement circular economy, help recycle, reuse and reduce waste, improve people's health, bring sanitation and improve hygiene standards.

SOCIAL ENTREPRENEURSHIP

is defined as entrepreneurship aimed at achieving specific socially beneficial material or non-material outcomes, focused on addressing social and/or environmental issues for specific categories or groups within the population.



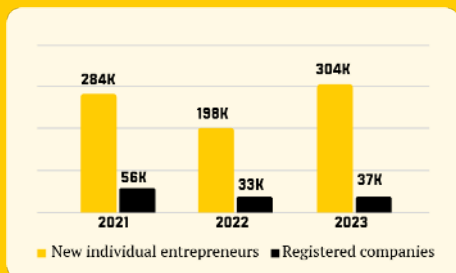
¹. [Press Brussels Club - Free World to Increase Investment to Greater Kyiv](#)

². [IRIS - Impact Categories](#)

IMPACT-DRIVEN ENTREPRENEURS TO BE AT THE FOREFRONT OF THE LONG-TERM RENEWAL OF UKRAINE

HUGE MARKET OPPORTUNITY

1.4M+ registered MSMEs companies, **3% (42k)** of them are social enterprises¹



FINANCIAL STABILITY

9% YoY revenue growth from 2021 to 2023 for impact-driven businesses*

UNMATCHED IMPACT

and support for communities affected by the war

- Jobs created
- Reduction in carbon emissions
- Lives improved, and many



SOCIAL ENTERPRISES:

- Around 3% of companies globally are social enterprises
- Applying this percentage to the Ukrainian market, it would equate to approximately 42k companies. Moreover, this figure would likely be higher if we consider many solo enterprises operating within this sector.

Ukrainian impact-driven businesses responded to the war in diverse ways, shaped by their unique circumstances and the specific needs of their communities.

Some viewed the conflict as an opportunity to meet urgent social challenges. They launched new social enterprises or expanded existing ones to deliver essential services such as food, shelter, medical care, and psychological support to those affected. For instance, several entrepreneurs established mobile medical units and hospitals to care for displaced individuals, while others created community centers offering social and emotional support to those impacted by the war.

Meanwhile, other social entrepreneurs concentrated on fostering peace and reconciliation. They initiated programs aimed at bridging divides and encouraging dialogue among people from different sides of the conflict. These community-driven projects not only improved living conditions for vulnerable groups but also helped alleviate tensions, strengthening both local populations and institutions.

Through their innovative and adaptive efforts, Ukrainian social entrepreneurs have been pivotal in addressing the humanitarian crisis and promoting reconciliation. Their work highlights the resilience and resourcefulness of Ukraine's civil society amid adversity.

According to the research conducted by the Platform for Social Change² (former Ukrainian Social Academy):

65% of the leaders of social change in Ukraine are women

45% of organizations have been active for 2-5 years

15% of organizations were established within the 2022 year

28% of respondents operate as a combination of a charitable organization and non-profit enterprise

50% of social enterprises sector are community and charitable organizations

¹. UNDP

². Platform for Social Change

(*) Based on portfolio companies of The Possible Alliance

During the winter of 2022-2023, **Impact Force**, in collaboration with the research company Gradus Research, conducted sociological research to determine the level of social responsibility demonstrated by Ukrainian businesses during the war and explore the ways in which Ukrainian companies are dedicated to addressing social issues.¹

64% of surveyed Ukrainian businesses claim that they are to some extent involved in solving social issues.

53% declare that they participate in the solution of social problems, providing material assistance directly to the addressees.

29% of Ukrainian companies also participate in the development of communities

27% of surveyed businesses implemented independent social programs

48% of surveyed companies allocate up to 10,000 hryvnias every month

The results of the research represent a new positive paradigm shift in Ukrainian society: the trend of a socially responsible economy. This shift from traditional business models toward impact entrepreneurship is becoming a defining trend.

HOW BUSINESSES ARE BECOMING IMPACT ENTERPRISES:

- From CSR to systemic impact – Moving beyond one-off corporate social responsibility (CSR) initiatives to long-term impact strategies.
- Embedding purpose in business models – Designing products and services that directly address social or environmental challenges.
- Impact measurement – Tracking and reporting social and environmental outcomes alongside financial results.
- Partnerships & Ecosystem building – Collaborating with NGOs, governments, and other impact-driven entities.

The businesses of tomorrow won't just generate revenue—they will drive positive change while remaining financially sustainable. The transition to impact entrepreneurship is not just an option; it's becoming a must have in Ukraine's reality.



NINA LEVCHUK

Co-founder,
Impact Force

“Ukraine is no longer just a battlefield—it’s becoming a powerful innovation hub. Social entrepreneurship has the potential to drive the country’s post-war recovery and long-term resilience by blending social missions with cutting-edge solutions. The war has brought immense challenges: millions displaced, damaged infrastructure, a mental health crisis, and growing social needs.

However, social enterprises are already stepping up with technology-driven solutions to tackle these issues. Apps for psychological support and neurotechnology, like Anima—which tracks mental health through eye movement—are helping people manage stress and improve well-being. Meanwhile, Esper Bionics is creating AI-powered prosthetics tailored to individual users. Social enterprises not only create jobs but also provide crucial support for vulnerable groups, including displaced communities, fostering social integration and inclusion. International tech companies and accelerators are playing a crucial role in this growth by offering investments, mentorship, and technological resources.

Programs like the Impact Business Accelerator have already helped Ukrainian companies embed social impact into their core business strategies. Experts predict that social entrepreneurship and the impact economy could contribute an additional \$250 million to Ukraine’s GDP within the next five years, creating new opportunities for sustainable recovery and prosperity.

Ukraine is already proving that social innovation can drive real change. By continuing to integrate social impact and innovation across all sectors, the country has a chance to become a global model for sustainable development and resilience.”

1. Gradus Research Company - Social trends 2023: how the war turned Ukrainians into a more conscious nation

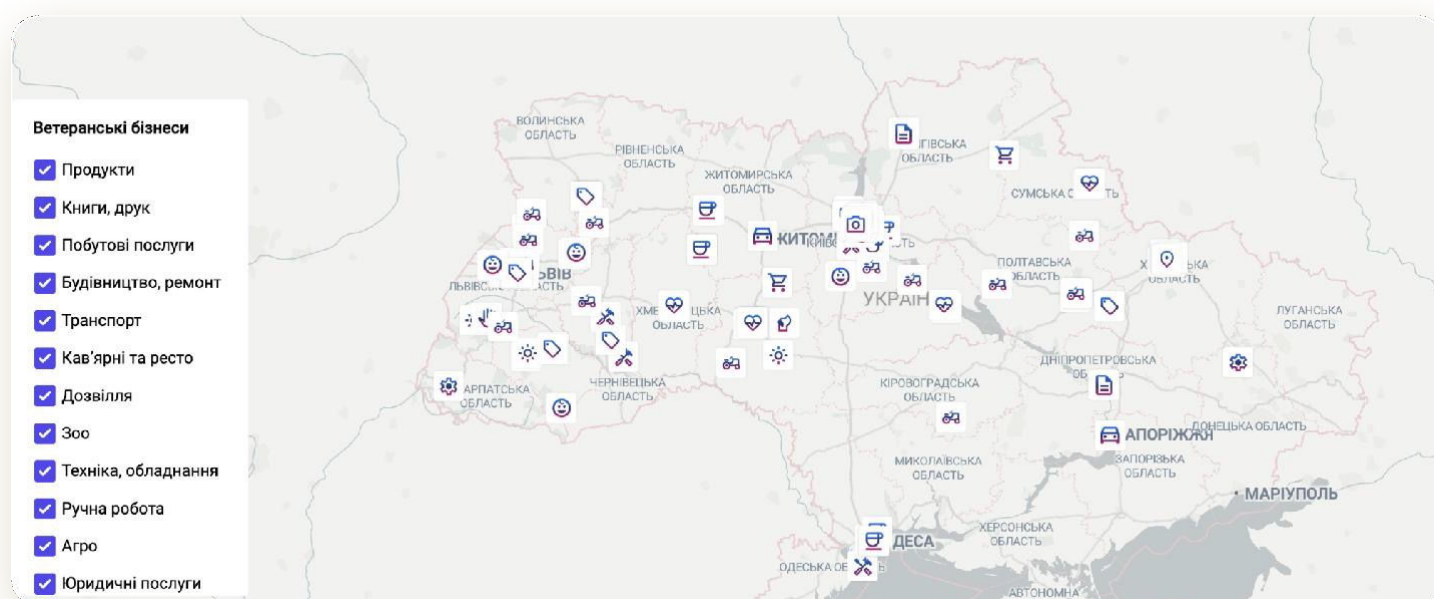
GROWING SECTOR OF VETERAN BUSINESSES

The landscape of veteran-owned businesses is rapidly evolving into a significant sector of the economy due to the war. These businesses not only represent resilience but also the potential for innovation and growth in various industries.

As of February 2022, approximately 12,000 businesses owned by veterans and their families were registered in Ukraine, according to the Ministry of Veterans Affairs. This statistic reflects a robust community of up to half a million veterans at that time. However, the full-scale invasion that began shortly thereafter dramatically altered this landscape. A full-scale invasion changed the statistics. According to forecasts, after the war, about 5 million people will belong to the veteran community and their families. They will apply for veteran politicians. And it is better that these are opportunities, not benefits.¹

MAP OF VETERAN BUSINESSES (400+ COMPANIES)

Source: Veteranfund²



SURVEY OF VETERAN BUSINESSES³

- **76%** of veterans hold high education
- **85%** of veteran businesses are solo entrepreneurship registration, 11% are LLCs, and 4% are private enterprises.
- For **57%** of respondents, business is the only occupation/job
- On average, **60%** of employees are veterans in businesses owned by veterans
- Almost half (**48%**) of respondents noted that their company has a written business plan, 30% have financial, and 29% - marketing. Most adhere to the business plan (38%) and organizational plan (35%).

KEY CHALLENGES:

- Ukrainians are expected to have only between two and six hours of electricity per day in the winter period.
- Even before the full-scale invasion in 2022, there was a tendency for residents in Ukraine's villages and small towns to seek a better life in big cities or abroad, but now this migration has skyrocketed. As a result, the search for staff has become more complicated than ever before.
- There is little chance of finding people with the skills to replace them and training would take months.
- The demands of the frontline also make it harder to find male workers. While some big enterprises have a right to claim economic mobilization exemptions for their employees, small businesses do not even have the right to exempt their owners.

THE POTENTIAL OF VETERAN-LED BUSINESSES TO DRIVE INNOVATION AND SOCIAL CHANGE IN UKRAINE



OLEKSANDR SLAVSKYYI

Veteran, Founder of the social enterprise Na Chasi in Odesa and the NGO Plemya

“Veteran businesses in Ukraine have a unique potential for innovation and social change. Veterans bring leadership experience, crisis management skills, and a high level of responsibility, which contribute to the development of resilient and socially impactful initiatives. Such enterprises often become not only a source of economic growth but also platforms for social integration, support for fellow veterans, and community development. Innovative models of veteran entrepreneurship have the power to transform Ukraine’s business culture, making it more socially oriented and cohesive”



ROMAN ZINCHENKO

Greencubator,
Chairman of the board

“The military sector has long been both a driver and beneficiary of innovation. For many veterans, however, transitioning to civilian life—and especially to civilian-oriented businesses—can be a challenge. Working alongside former comrades often feels more natural and productive, leading many to channel their battlefield experience into entrepreneurial ventures that directly support Ukraine’s defense.

These businesses are rarely polished corporate enterprises; they often operate out of garages and repurposed production facilities. Yet, they are delivering critical innovations—munitions, armaments, drone technology, and other battlefield solutions—born directly from frontline necessity.

Despite their essential role, many of these operations exist in legal gray areas due to Ukraine’s stringent regulations on arms manufacturing. Meanwhile, the country’s defense effort increasingly depends on their contributions. To fully leverage this potential, Ukraine must ease unnecessary regulatory burdens and provide seed funding to veteran-led enterprises. By doing so, the nation can empower its most battle-tested entrepreneurs to continue their expertise where it matters most—on the front lines.”

REGULATORY LANDSCAPE FOR IMPACT-DRIVEN ENTREPRENEURSHIP IN UKRAINE

As of February 2025, Ukraine does not have a law regulating the activities of social enterprises. There have been several attempts to introduce relevant legislation. In particular, in 2013 and 2015, Member of Parliament Oleksandr Feldman submitted draft laws No. 2508 and No. 2710, titled "On Social Enterprises," but they were not adopted by the Verkhovna Rada.

The absence of legislative recognition and support for social entrepreneurship in Ukraine creates certain challenges for the sector's development. Nevertheless, social enterprises continue to operate, choosing various legal forms such as non-governmental organisations, charitable foundations, or limited liability companies, as well as sole proprietorship.

DEVELOPMENT OF SOCIAL ENTREPRENEURSHIP IN UKRAINE²



Currently, social enterprises can receive grants from both the government and international funds. However, they still face a wide range of challenges. Entrepreneurs often mention the "lack of a regulatory framework", the "shortage of necessary equipment", and the "difficulty in hiring and fairly compensating highly qualified professionals" are the key challenges for operations.

SOCIAL ENTERPRISES IN UKRAINE OPERATE WITHIN THE GENERAL LEGAL FRAMEWORK.

The absence of a dedicated law defining "social entrepreneurship" hinders the sector's development, despite the term occasionally appearing in state and regional development programs.

Additionally, the Ukrainian Parliament (Verkhovna Rada) has registered the draft law "On Veteran Enterprises" (Bill No. 10258). Based on its content, lawmakers conceptually position veteran enterprises as a type of social enterprise.

The development of social entrepreneurship aligns with Ukraine's strategic priorities. More importantly, it offers a mechanism to address social challenges with minimal state intervention and without significant budget expenditures. The main drivers behind social entrepreneurs' efforts are personal values and convictions, life experiences, and social responsibility. However, the lack of legal recognition creates barriers to growth. Legislative regulation could serve as a catalyst for the sector's expansion, fostering social cohesion, stability, and sustainable democratic processes in Ukraine.

To fully unlock the potential of social entrepreneurship, Ukraine should develop and adopt a dedicated law on social entrepreneurship, establishing it as a systematic mechanism for collaboration between the state, businesses, and citizens. It is also important to consider creating a National Fund for Social Entrepreneurship Support, along with a scientific and methodological center to analyze and guide the sector's development effectively.

Legal recognition and structured support would allow social enterprises to scale their impact, contribute to economic growth, and drive meaningful social change.

1. Local Impact Entrepreneurship Initiatives: Ukraine and Germany

2. The Village & School of ME

UNITED KINGDOM

In the UK, social enterprises are most commonly defined in two ways:

A business primarily driven by social objectives rather than profit maximization for shareholders or owners, with most of its revenues reinvested into the business or community.

An independent, transparent, and accountable organization with a clear social and/or environmental mission, generating the majority of its income from selling goods and/or services while reinvesting most of its profits.

The UK government typically analyzes social enterprises using the following criteria:

- No more than **50%** of profits are distributed to owners or shareholders.
- The business mission is socially driven.
- At least **25%** of income comes from trading activities.
- No more than **75%** of income comes from grants or donations.

The key regulatory framework for social enterprises is the Public Services (Social Value) Act, which came into force in 2013. This law requires public authorities to prioritize businesses and suppliers that contribute to economic, social, and environmental well-being when procuring services.

Beyond regulation, the UK has additional mechanisms to support social entrepreneurs. In 2014, tax incentives were introduced for social investors, reducing their income tax by 30% when investing in social enterprises. Additionally, social enterprises can access funding from the Big Lottery Fund, which distributes funds raised through the UK National Lottery.

GERMANY

Germany does not have a single legal definition of social enterprises, but they are typically characterized by:

- Formal organizational status (typically businesses or associations).
- A mission focused on solving social problems.
- An entrepreneurial approach to achieving their mission.
- Innovative solutions to address challenges.

Germany has approximately 100,000 social enterprises, employing nearly 2.5 million people. Government policies have played a significant role in fostering the sector. For example, social enterprises can obtain "public benefit" status, which exempts them from corporate income tax but comes with strict limitations on profit distribution. Any organization with a social mission, regardless of its legal structure, can qualify for this status.

FRANCE

In France, the concept of the social economy encompasses organizations such as cooperatives, mutuals, associations, and foundations. These entities prioritize serving their members or the community over profit generation. The social economy is a significant sector in France, representing approximately 10.3% of employment.

SPAIN

Spain has enacted specific national laws to support the social economy. The country recognizes various institutional forms of social enterprises, including social initiative cooperatives and work integration enterprises. These organizations aim to serve their members or the broader community rather than focusing solely on profit.

ITALY

Italy has a well-established legal framework for social enterprises. The Social Enterprise Law defines these entities as private organizations that operate for the common interest, providing social utility goods and services without the primary goal of profit distribution. This legislation has been instrumental in promoting the development and expansion of social enterprises across the country.

IMPACT MEASUREMENT AND REPORTING

Impact measurement and reporting are critical components for the success and sustainability of social enterprises, particularly in a country like Ukraine, where the social impact sector is still in its developmental stages. These practices help social enterprises demonstrate the tangible outcomes of their work, attract investors, and maintain transparency with stakeholders. However, the landscape of impact measurement in Ukraine remains fragmented, with limited standardised frameworks and regulatory support. This chapter delves into the current state of impact measurement and reporting in Ukraine, exploring its challenges, emerging trends, and the role of external actors in shaping the sector.

IMPORTANCE OF IMPACT MEASUREMENT FOR IMPACT-DRIVEN ENTERPRISES

DEMONSTRATING VALUE

It allows social enterprises to quantify the positive change they bring to communities, which is particularly important when seeking support from donors, investors, and governments.

ATTRACTING INVESTMENT

Impact investors increasingly look for clear evidence of measurable social outcomes. For social enterprises in Ukraine, having robust impact reports can help secure much-needed funding, especially from international donors.

ACCOUNTABILITY AND TRANSPARENCY

Impact reporting helps maintain transparency with beneficiaries, partners, and the public. It builds trust and ensures that enterprises remain aligned with their social mission.

IMPACT INDICATORS

INDICATOR	DEFINITION
No. of new jobs created	The total number of new employment opportunities generated by businesses supported by the fund split into full-time (35+hours per week) and part-time (less than 35 hours per week)
No. of women employed	The total number of women employed by the business (full-time/part-time)
No. of people with disabilities employed	The total number of individuals with disabilities employed by the business (full-time/part-time)
No. of veterans employed	The total number of veterans employed by the business (full-time/part-time)
No. of youth employed	The total number of young people (aged 18-35) employed by the business (full-time/part-time)
No. of IDPs employed	The total number of internally displaced persons (IDPs) employed by the business (full-time/part-time)
Job satisfaction	A self-reported measure of how satisfied employees feel with their jobs on a scale from 1 to 10.
Increase in customers	The total growth in unique customers, measured through various methods depending on the sales channels
Reduction in greenhouse gas emissions.	Report any initiatives or measures your organization has implemented to reduce greenhouse gas emissions. Include specific metrics, if available, to highlight the impact of these efforts.

Examples, but not limited to. Where possible we encourage enterprises to align with **IRIS+** metrics

THE

POSSIBLE

UNLOCKING UKRAINE'S POTENTIAL THROUGH IMPACT INVESTMENT

MAPPING IMPACT INVESTING ECOSYSTEM IN UKRAINE

The impact investing ecosystem in Ukraine is developing rapidly, reflecting the increasing recognition of social enterprises and the urgent need for sustainable development amidst ongoing challenges. This overview addresses key components of the ecosystem, including the supply and demand for impact capital, intermediation roles, government regulatory actions, and supporting organizations.

SUPPLY OF IMPACT CAPITAL

IMPACT INVESTORS



COMMERCIAL BANKS

(with the biggest SME portfolio and support programs)



VENTURE CAPITAL FIRMS AND PRIVATE EQUITY FUNDS



HUMANITARIAN ORGANISATIONS



DEVELOPMENT FINANCE INSTITUTIONS



DEMAND FOR IMPACT CAPITAL

IMPACT-DRIVEN BUSINESSES



Examples but not limited to

ACCELERATORS AND INCUBATORS

greencubator



SUPPORT ORGANIZATIONS AND COMMUNITIES



GOVERNMENT AND REGULATORY ACTORS AND INSTITUTIONS



SUPPLY OF IMPACT CAPITAL

COMMERCIAL BANKS (WITH THE BIGGEST SME PORTFOLIO AND SUPPORT PROGRAMS)

- PrivatBank (State-owned)
- Oschadbank (State-owned)
- UkrGasbank (State-owned)
- Raiffeisen Bank Aval (Austrian Capital, Raiffeisen Bank International AG)
- Ukrsibbank (BNP Paribas Group)
- PUMB (First Ukrainian International Bank) (Private investors)
- Kredobank (Polish Capital, PKO Bank Polska)
- OTP Bank Ukraine (OTP Bank, Hungary)
- Sense Bank (Private Ukrainian investors)
- UNIVERSAL BANK (Private Ukrainian investors)

VENTURE CAPITAL FIRMS AND PRIVATE EQUITY FUNDS:

- Horizon Capital (A private equity firm investing in high-growth businesses, including impact ventures)
- Smart Holding (Focuses on ventures with both financial and social impact)
- TA Ventures (Early-stage venture capital firm)
- SMRK (Venture capital firm investing in early-stage technology companies)
- Flyer One Ventures (VC firm focused on supporting early-stage startups in the technology and innovation sectors)
- ICU Ventures (One of Ukraine's largest investment firms. It invests in high-growth startups, with a focus on those that create positive economic, social, and environmental impact)
- U.Ventures (Provides early-stage investments in startups with social missions)
- GR Capital (Supports tech startups with a focus on social responsibility and positive impact)
- Ukrainian Startup Fund – USF (Government-backed fund providing seed funding to early-stage startups)
- AVentures Capital (Sector Focus: IT, technology-driven businesses, and clean tech)
- Diligent Capital Partners (VC firm supporting high-growth, early-stage companies in Ukraine)

INVESTMENT BANKS:

- Dragon Capital (A leading investment bank in Ukraine that provides a range of services, including investment management, corporate finance, and capital market advisory)
- Concorde Capital (Ukrainian investment company)

IMPACT INVESTORS:

- The Possible Alliance & Fund (Empowering social enterprises, providing financial capital, networking, and mentorship to scale solutions that address Ukraine's social and environmental challenges)
- Ukrainian Social Venture Fund (USVF) (A social impact investor focused on supporting social enterprises in Ukraine)
- Western NIS Enterprise Fund (WNISEF) (Supports SMEs and social enterprises through impact investing)

IMPACT INVESTING ECOSYSTEM

HUMANITARIAN ORGANISATIONS:

- International Rescue Committee (Responds to the world's worst humanitarian crises and helps people to survive and rebuild their lives)
- World Vision
- UNHCR, the UN Refugee Agency (Supporting local businesses and SMEs that integrate refugees and IDPs into the economy, providing microfinance and vocational training)
- UNICEF (Education, economic opportunities for youth, and social enterprises, as well as creating community-based SMEs that serve local needs)
- UN (Promoting economic resilience, supporting SMEs with financing, technical assistance, and capacity-building programs for entrepreneurs)
- MercyCorps (Helps SMEs through access to finance, training, and capacity-building, with an emphasis on business recovery and sustainability)
- Save the Children (SME support through livelihoods initiatives, vocational training, and income-generating projects for youth and women)
- Danish Refugee Council (Provides humanitarian aid and development programs to displaced populations)
- The Norwegian Refugee Council (NRC) (Provides grants, financial support, and business development services to SMEs, particularly those integrating displaced populations into the economy)

DEVELOPMENT FINANCE INSTITUTIONS:

- European Investment Bank (Supports development projects in Ukraine by providing loans, grants, and technical assistance. Their funding often targets large-scale infrastructure and sustainable development projects)
- KfW Bankengruppe (Provides financing for sustainable development projects in Ukraine, particularly in the sectors of energy, water management, and SME development)
- The World Bank (Provides financial resources, expertise, and technical assistance to support development projects in Ukraine, including initiatives in education, healthcare, and infrastructure.)
- European Bank for Reconstruction & Development (EBRD) (works to enhance the competitiveness of Ukraine's private sector, focusing on SMEs, fostering innovation, and improving governance)
- EU4Business (Helping small and medium enterprises in Ukraine grow)
- European Fund for Southeast Europe (EFSE) (Financing SMEs and micro-businesses, particularly in rural and underserved areas)
- GIZ (Deutsche Gesellschaft für Internationale Zusammenarbeit) (Infrastructure development, energy efficiency, private sector development, governance, and rural development)
- Investment Fund for Developing Countries (Supports sustainable business ventures in agriculture, energy, and infrastructure)
- IFC (International Finance Corporation) (Provides investment and advisory services to promote private sector development in emerging markets like Ukraine)
- Embassy of the Netherlands (Supports projects in Ukraine related to climate change, rule of law, and economic reforms)

IMPACT INVESTING ECOSYSTEM

DEMAND FOR IMPACT CAPITAL

IMPACT-DRIVEN BUSINESSES:

- View examples of enterprises on DIIA Platform:
www.business.diia.gov.ua/initiative/portfolio-of-impact-businesses

ACCELERATORS AND INCUBATORS:

- Greencubator (An incubator for green and sustainable startups, providing financing and development support)
- Promprylad (An innovation hub for SMEs and startups, including those with social missions, in Ukraine)
- SILab Ukraine (A professional platform that works to develop social entrepreneurship and social innovation in Ukraine)
- School of ME (Develops and implements social, school, and youth entrepreneurial projects to achieve a change of values in the business ecosystem. Runs projects on conscious and social entrepreneurship, particularly focused on young people)
- Greencubator.Academy (An educational platform empowering entrepreneurs with knowledge on green energy, sustainability, and impact-driven innovation)
- Startup Depot (A business incubator and coworking space that nurtures early-stage startups through mentorship, networking, and acceleration programs)

SUPPORT ORGANIZATIONS AND COMMUNITIES

- CSR Ukraine (Has been promoting socially responsible business in Ukraine for 15 years, and is currently focussed on building Hubs to support female entrepreneurs around the country)
- ReStart Ukraine (A platform for expertise related to rebuilding Ukrainian cities and restoring the war-torn urban fabric)
- Impact Force (Drive transformative social behaviour change and generate economic opportunities to advance Ukraine's journey towards a sustainable and equitable recovery.)

GOVERNMENT AND REGULATORY ACTORS AND INSTITUTIONS

- Ministry of Economy of Ukraine
- Ministry of Finance
- Ministry of Digital Transformation
- National Bank of Ukraine
- Regional Development Agencies

IMPACT BUSINESS STORIES

FAINA POLIANA

Faina Polyana operates as an agricultural cooperative, helping small farmers in Ukraine stabilize and grow their plantations and their income, which in turn offers employment opportunities to the local community.

In the rural areas where Faina Polyana works, levels of entrepreneurship and employment are typically quite low, resulting a migration away from the countryside. This, too, is mediated by the solution offered by Faina Polyana.

IMPACT TO DATE

1,000+ jobs created per year	90 members in cooperative
270 family households supported in 2024	14% of team members are veterans
1.8X growth in number of households supported in 2021- 2024	50% of cooperative members are women



"WE ARE DEDICATED TO COMBATING POVERTY AND FINANCIAL INSECURITY AMONG RURAL RESIDENTS BY ADDRESSING THE LOW LEVELS OF ENTREPRENEURSHIP AND FARMING."

www.fb.com/Finemeadow

INCLUSIVE CAFE "SUNNY COFFEE"

Inclusive cafe provides supported employment services and social and domestic adaptation for individuals with mental disorders, including cooking workshops, creative evenings, and social gatherings for children and youth with disabilities.

IMPACT TO DATE

22K people covered by the services in 2023	10 people with disabilities employed	45 events for vulnerable population groups conducted
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"WE STRIVE TO CREATE A WELCOMING ENVIRONMENT WHERE INDIVIDUALS WITH INTELLECTUAL DISABILITIES CAN GAIN VALUABLE WORK EXPERIENCE, DEVELOP ESSENTIAL LIFE SKILLS, AND INTEGRATE SEAMLESSLY INTO THEIR COMMUNITIES WHILE ENJOYING A SUPPORTIVE AND INCLUSIVE ATMOSPHERE."

www.instagram.com/sunnycoffee2023

IMPACT BUSINESS STORIES

MUSEUM IN THE DARK "03:00"

The social enterprise "Museum in the dark '03:00'" is the first and only museum in Ukraine that conducts tours and events in the dark to reduce stereotypes about visually impaired people, increase their employment, and improve accessibility in the leisure and cultural sectors for people with visual impairments. According to data from the World Health Organization, every 5 seconds, one person in the world loses their sight. Various sources estimate that there are up to 300,000 visually impaired people in Ukraine. The full-scale invasion of Ukraine by Russia has significantly increased the number of people losing their sight due to missile strikes and mine explosions.

The project provides a unique experience for sighted people, which changes their worldview, develops empathy, reveals the capabilities of our body, and serves as an effective team-building activity. It also improves the quality of life for the visually impaired by employing them and reducing societal stereotypes about them (and, as a result, discrimination in all areas).



IMPACT TO DATE

- 32** people served from 2021 to 2023
- 60%** of team are visually impaired
- 3K+** vulnerable people served

NO WASTE UKRAINE

NO WASTE ecosystem encompasses next-generation waste infrastructure, a web application, online retail, services (B2B, B2C), and production of products made from recycled plastic.

Only 4% of household waste is sorted in Ukraine, resulting in ecological stress and a loss in secondary materials. The Sorting Capsule Network by NO WASTE offers an innovative approach to sorting that should not only make recycling possible, but attractive to local Ukrainians.



IMPACT TO DATE

- 43K** people served in 2021-2023
- 6K** vulnerable people reached in 2021-2023
- up to **1,100 TONS** raw materials and non-liquid assets up to 260 tons

THE POSSIBLE ALLIANCE

DRIVING IMPACT FOR UKRAINE'S RECOVERY

An Alliance of impact-driven organizations supporting Ukraine's renewal through entrepreneurship.

Focus areas: fostering collaboration, building capacity, connecting capital, promoting policy change, and driving innovation.



civic



SILAB
UKRAINE

CLIFFORD
CHANCE



PROMPRYLAD
FOUNDATION

CSR
UKRAINE



SCHOOL of ME
Mindful Entrepreneurship



greencubator



Western Ukrainian
Cluster of Social
Enterprises



Ukrainian Social Venture Fund is the first Ukrainian impact fund that invests in and supports social enterprises based on their achievement of social and environmental changes.

INVESTMENT PRIORITIES:

- Integration of vulnerable population groups
- Development of social services and innovative products
- Implementation of sustainable solutions
- Investing in early-stage and growth-stage social enterprises
- Providing portfolio companies with non-financial and post-investment support



SILab is a professional platform for social entrepreneurship and social innovation development, impact investment promotion, and social partnership building.

KEY ACTIVITIES:

- Preparing social entrepreneurs for launch ("idea garages", hackathons, trainings, incubation and acceleration programs)
- Social enterprises development
- Ecosystem assessment for the social entrepreneurship development
- Generating national and local programs
- Generating CSR programs aimed at the social entrepreneurship development



Greencubator is the largest accelerator for the Cleantech business in Ukraine. For 15 years, the organisation has been developing the ecosystem of sustainable entrepreneurship, climate innovation and the green economy in Ukraine.

KEY ACTIVITIES:

- Climate Innovation Vouchers for Green Innovators
- ClimateLaunchpad, the world's largest green innovation competition
- Greencubator.Academy - an online education platform for green innovators
- Mini-grants for sustainable social entrepreneurship - available for companies that have graduated from Greencubator programs



Restart is a platform for expertise related to rebuilding Ukrainian cities and restoring the war-torn urban fabric.

KEY ACTIVITIES:

- Integration of environmental issues, business and economics, social and technical infrastructure into one visionary and conceptual field
- Complex analytics for the community's spatial development
- Conceptual document offering answers to the key issues
- A list of projects intended to activate the community



Promprylad is an innovation center on the premises of an old plant and an impact-driven community platform that boosts wartime resilience & post-war recovery.

KEY ACTIVITIES:

- Berkeley at Promprylad
- Long Game Bootcamp
- Spromozhna - a platform of educational, mentoring, and networking opportunities for women.
- Creative Entrepreneurship program in partnership with the Copenhagen Institute of Neurocreativity
- Multiple guest-lecturers, events, and express-courses.



CSR Ukraine promotes the principles of sustainable business and social responsibility.

KEY ACTIVITIES:

CSR Ukraine launched Ukraine Women Entrepreneurs Hub (U&WE_Hub), a community and global network of conscious female entrepreneurs and a training program designed to help Ukrainian women create/develop their own businesses in Ukraine or in the host country, achieve financial independence, develop soft skills and become effective leaders.

THE POSSIBLE ALLIANCE



School Social Venture Fund is an NGO/startup that develops and implements social, school, and youth entrepreneurial projects to achieve change of values in the business ecosystem.

KEY ACTIVITIES:

- Business support for youth-led enterprises
- All-Ukrainian Prize For Social School Enterprises
- Crowdfunding and self-incubation program for SEs (STALI)
- Projects to promote the development of youth SE (StudBiz EU)
- Social Impact Award



Western Ukrainian Cluster of Social Enterprises is a public organization that aims to ensure the development of social entrepreneurship around Ukraine and in the Western regions specifically.

KEY ACTIVITIES:

- School and Student social entrepreneurship projects
- Workshops and fairs for social entrepreneurs
- Launch of the sales platform for social entrepreneurs
- Workshops for veterans (and their families) who want to start a social enterprise
- Lviv - Impact City project

METALAB

Metalab is an urban laboratory that focuses on sustainability, community development, affordable housing, and product design.

KEY ACTIVITIES:

- Current work is centered around two projects
- POLE, product design and makerspace. The 1200 m² space includes workshops and R&D offices, laboratories, coworking spaces, and a space for events and community building.
- CO-HATY, affordable housing for those who lost their homes due to the war.



Impact Force is Ukrainian NGO that specializes in projects aimed at fostering social behavior change and creating lasting impact.

KEY ACTIVITIES:

- Supports impact-driven entrepreneurs through education, mentorship, and funding.
- Co-leads the Impact Business Accelerator alongside SiLab Ukraine.
- Focuses on scalable solutions addressing war-related social and economic challenges.

KEY ACHIEVEMENTS SO FAR



80+ impact businesses funded through the Possible Fund and Alliance Partners




Collaboration with the Ministry of Digital Transformation and Diia.Business and the first catalog of impact businesses



Piloted of innovative finance mechanisms: Blended Finance and Match trading

GLOBAL AND LOCAL ADVOCACY FOR THE UKRAINIAN IMPACT ECOSYSTEM

2 IMPACT ENTREPRENEURS MEETUPS

Hosted with 



BRAVE SUMMIT

Co-hosted with





GLOBAL RESPONSE INNOVATION LAB

NEPAL



IMPACT EUROPE PANEL

Ukrainian at Impact Week in Bilbao, Spain

Hosted with  



There are numerous educational programs and youth entrepreneurship courses available for Ukrainians looking to develop their entrepreneurial skills, offered by both local and international institutions. These programs provide comprehensive training, mentorship, and support to help entrepreneurs build and grow their businesses.

EDUCATIONAL PROGRAMS BY THE POSSIBLE ALLIANCE:

Western Ukrainian Cluster of Social Enterprises has launched a program to develop students' soft skills, nurture young entrepreneurs, create opportunities for youth self-realization in Ukraine, and reduce harmful habits among children.

LVIV'S SCHOOL SOCIAL ENTERPRISES April 2024 - December 31, 2024

- 44 schools submitted applications;
- 23 School Social Enterprises were established;
- Over 250 students trained;
- Developing a methodological guide to scale the project across Ukraine;



PROGRAMS IMPLEMENTED BY PROMPRYLAD:

Berkeley Spring at Promprylad: a unique opportunity to create or improve your innovative product in a multidisciplinary team with mentoring and support from international experts.

THE LONG GAME

Offers professional education for entrepreneurs in a mobile format.

CREATIVE ENTREPRENEURSHIP

An educational program to develop creative thinking skills and apply a creative approach to running the own business.

EDUCATIONAL PLATFORMS BY PROMPRYLAD

TISTO

The technological space for innovations, AI, technologies, decision-making methods.format.

SPROMOZHNA

A platform for educational and mentorship opportunities for women.

POSHTOVKH

A series of training programs and networking events for: Entrepreneurs, Young Entrepreneurs, and Future Entrepreneurs.

STARTUP4GOOD ONLINE INCUBATOR

Ukrainian Social Venture Fund in cooperation with **WNISEF** and **SILab Ukraine** launched a free training program on social entrepreneurship.

24

teams were selected for StartUp4Good online incubator

238

applications received from young social enterprises

Ukrainian entrepreneurs today face numerous challenges that hinder the development of small and medium-sized enterprises.

This is especially true for the underdeveloped business support system through quality and effective training, as well as responsible education.

This is due to the limited access to quality education - and therefore many entrepreneurs lack basic knowledge in finance, marketing, sales, and investment attraction.

There is also a lack of mentoring support - the opportunity to share real-world experience and help avoid typical mistakes.

If an effective support system is created, it will not only allow local businesses to develop, but also integrate them into global markets.



ROMAN MINEVYCH

Western Ukrainian Cluster of Social Enterprises

UGWE HUB TRAINING PROGRAM

Online entrepreneurship program for women interested in developing their own business

18 WINNERS

received **\$60,000** for expert and consulting support

30%

increase in the number of clients and profits for participants after the program.

27%

increase in the number of officially registered women's businesses.

SOCIAL IMPACT AWARD UKRAINE

The program helps young people discover the field of social entrepreneurship and take their first steps toward creating a social enterprise. Since 2009, it has supported young social entrepreneurs in more than 25 countries worldwide.

9,000+

Participants in last year's SIA workshops and events



SOCIAL SCHOOL ENTREPRENEURSHIP PROGRAM approved by the Ministry of Education and Science of Ukraine for use in secondary schools.



GREENCUBATOR'S PROGRAMS

GREENCUBATOR.ACADEMY

Green Startups Course: Path of Progress - a course for early-stage startups in which participants build and validate their first business model and make customer discovery.

CLIMATELAUNCHPAD

ClimateLaunchpad is the world's largest green business ideas competition.

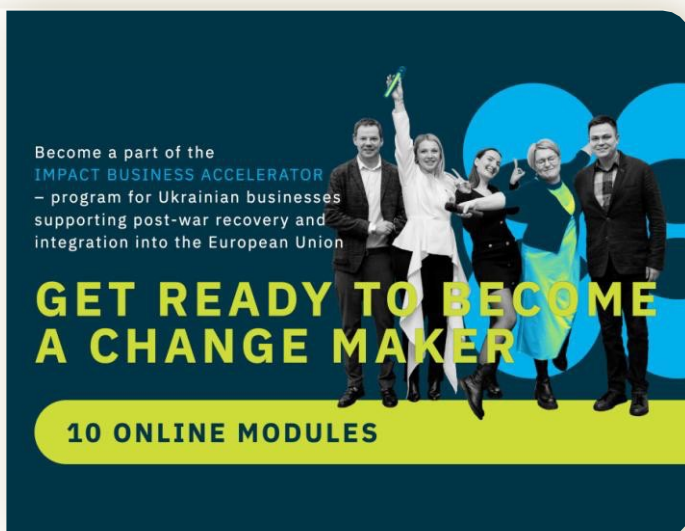
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The program in Ukraine is focused on developing an innovation ecosystem for clean technology startups, strengthening national capacity, and establishing a policy framework to support entrepreneurship in the clean technology sector.

IMPACT BUSINESS ACCELERATOR, AN INITIATIVE LED BY IMPACT FORCE AND SILAB UKRAINE

Impact Business Accelerator, an initiative led by **Impact Force**, in partnership with **SILab Ukraine** is an in-depth business program designed for active Ukrainian small and medium enterprises (SMEs) who want to enhance their overall business growth, contribute to Ukraine's post-war recovery, and create a lasting social impact.

In addition to educational support, the project offers mentorship from a network of international business experts.



The initiative culminates in a **Demo Day**, where participants showcase their business models and achievements to potential investors, further enhancing their visibility and opportunities for expansion.

IN 2023, the initiative supported 23 impact businesses across 11 regions of Ukraine, with two finalists winning 20,000 euros. Financial support for the finalists was provided by **Ukrainian Social Venture Fund**.

The participants business aligned closely with Sustainable development goals with

95%

of businesses support economic growth

43%

responsible consumption

56%

climate action

34%

health

17%

livable cities

THE STATE OF SOCIAL FINANCE IN UKRAINE: TODAY'S REALITY

Since 2016, WNISEF — a regional fund funded by the U.S. government via the United States Agency for International Development specializing in investing in small- and medium-sized enterprises (SMEs) in Ukraine and Moldova—has offered a low-interest loan program through its Impact Investing Program in collaboration with two bank partners, state-owned Oschadbank and commercial Kredobank. Eligibility for the program requires that the companies employ members of a vulnerable population and/or that a percentage of the profit goes to a social cause. In 2016, the program received 96 applications and funded three of the enterprises. More broadly, since its inception in 1993 and through all its programs, WNISEF invested over \$190 million in 143 companies and unlocked \$2.3 billion for Ukrainian and Moldovan companies.³

Following Russia's full-scale invasion, Ukraine's economy suffered greatly, halting FDI and stalling the mergers and acquisitions market, with most 2021 transactions canceled. The IT sector was an exception, continuing to grow in 2022 due to its ties to U.S. and European headquarters and relocation potential. However, the exodus of skilled, working-age Ukrainians strained all sectors, including IT. Key industries like metallurgy, agriculture, retail, construction, logistics, processing, and mining lost much of their investment appeal. Economic challenges were compounded by limited access to affordable credit, scarce equity investments, and low financial literacy among SME owners.

The EU for Ukraine Fund (EU4U) was established in 2023 as part of a larger EU for Ukraine initiative. The fund aims to accelerate EIB Global's support for Ukraine's most urgent infrastructure needs and help sustain its economy. The Fund facilitates deployment of both public and private sector projects for the reconstruction of critical municipal infrastructure and improves access to finance for entrepreneurs.

EU4U Fund's donor contributions focus on priority investments for Ukraine's recovery and reconstruction.



A notable example is the International Finance Corporation's \$2 billion Economic Resilience Action Program for Ukraine's private sector and its \$30 million investment in the Horizon Capital Growth Fund IV. This initial commitment helped attract global investors, culminating in \$350 million by February 2024, primarily supporting tech and export-oriented SMEs in Ukraine and Moldova.

The Ukraine Development Fund, created by BlackRock and JPMorgan, aims to attract private investment to sectors like energy, infrastructure, manufacturing, agriculture, and IT by leveraging "concessionary capital" from international financial institutions. Targeting \$500 million to \$1 billion in catalytic capital, the Ukraine Development Fund plans to draw \$2 billion in private capital, starting project funding in 2025.

A significant obstacle is the lack of insurance coverage for war and political risks. Publicly funded insurance products, such as the Development Finance Corporation's \$450 million in war risk insurance and various guarantees through local banks, have facilitated investments. International support includes G7 leaders, the European Commission, and national export credit agencies insuring their companies in Ukraine. Key initiatives include the EBRD's risk-sharing facility with joint stock company OTP Bank and the World Bank's Multilateral Investment Guarantee Agency, which has provided \$215 million in guarantees through the Support for Ukraine's Reconstruction and Economy Trust Fund.

1. [Yahoo](#)
2. [UkraineInvest](#)
3. [CRIS](#)

THE RISING IMPORTANCE OF IMPACT INVESTMENT IN UKRAINE

MAIN OBSTACLES TO OBTAINING LOAN FINANCING THAT COMPANIES MENTION ARE:

55%

Excessively high interest rates

36%

Concerns about not meeting debt obligations on time

28%

Insufficient collateral

22%

Currency exchange rate fluctuations

22%

Complex loan acquisition process time

Access to finance for impact-driven MSMEs in Ukraine: While financial inclusion is high (84% of adults have bank accounts), micro businesses, especially in rural areas, struggle to obtain loans due to stringent requirements and high interest rates. The non-banking financial sector is underdeveloped and primarily consists of payday lenders.

HOW IMPACT INVESTING CAN ADDRESS THESE CHALLENGES

- Impact investors often provide concessional financing with lower-than-market interest rates, making capital more affordable for businesses focused on social impact. Blended finance models, where philanthropic funds or government-backed guarantees de-risk private investments, help drive down borrowing costs.
- Impact investors can offer flexible repayment structures, such as revenue-based financing or outcome-based funding, where repayments are tied to business performance rather than fixed schedules. This helps social enterprises manage their cash flow more effectively and avoid financial distress.
- Traditional lenders require significant collateral, which many impact-driven businesses lack. Impact investing introduces alternative credit assessments, leveraging impact metrics, cash flow potential, and business viability rather than hard assets as collateral. Guarantee funds can also back loans to reduce lender risk.
- Impact investors can provide local currency financing, reducing exposure to exchange rate fluctuations. Additionally, hedging mechanisms and currency stabilization funds can be deployed to help businesses operate more predictably in volatile economic conditions.
- Impact investment funds and social venture capital firms often have simpler, more transparent application processes compared to traditional banks. They prioritize mission alignment, scalability, and community impact, streamlining access to funding for high-potential enterprises.

By addressing these financial barriers, impact investing enables businesses to grow sustainably, drive social change, and contribute to economic resilience.



TEJ DHAMI

Managing Director,
The Change Coefficient

“Impact investing refers to investments made with the intention of generating positive, measurable social and/or environmental impact alongside a financial return. Given the need to rebuild in Ukraine most investments are being viewed through this dual financial and social/environmental lens. However, the Possible and its partners are going so much further than facilitating an impact investing market, they are supporting the growth and development of impact businesses. Impact businesses go beyond incidental social or environmental returns and have impact at their heart; they are sustainable businesses that measure their success by the impact they can generate for their communities and their country. Impact businesses foster long-term resilience and inclusive growth as they focus on sustainable social and environmental impact rather than profit maximization. Impact investing, combined with the kind of non-financial support provided by the Possible’s partners, plays a crucial role in enabling impact businesses, ensuring Ukraine’s recovery is sustainable and equitable.”

INNOVATIVE FINANCIAL INSTRUMENTS FOR IMPACT-DRIVEN BUSINESSES

Investing in impact-driven markets presents significant challenges, particularly in high-risk environments that are often deemed “uninvestable.” Securing returns while generating positive social impact requires a strategic approach to de-risking investments and building a pipeline of investible projects backed by field-based evidence. Innovative Finance Approaches:

- **Diverse Financing Approaches** – Expanding beyond traditional grant funding to include debt, blended finance, and innovative insurance models.
- **Private Sector Engagement** – Increasing private investor and corporate involvement in impact finance to drive long-term sustainability.
- **Capacity Building** – Strengthening organizations' internal readiness and capabilities to facilitate new investment models.
- **Ethical Considerations** – Ensuring new financing mechanisms align with impact-driven principles, avoiding potential unintended consequences.
- **Future Outlook** – While grant funding remains crucial, impact finance has the potential to drive large-scale change in protracted crisis and recovery settings.

INNOVATIVE FINANCE MODELS

INSTRUMENTS

- Grants
- Debt
- Guarantees
- Equity
- Pay for Success
- Insurance
- Carbon finance

INSTRUMENTS

- Blended Finance
- Grants as Incentives
- Match Trading
- Outcomes-Based Finance
- Pay-it-Forward
- Repayable Grants
- Revenue Financing
- VC Impact Carry



ARTEM KORNETSKYY

CEO at School of ME

“The economic recovery of Ukraine depends on impact investments since these investments direct capital toward businesses that provide financial returns and produce social benefits. Impact investments will facilitate sustainable development together with job creation and innovation across sectors including energy and agriculture and technology because of the war-caused catastrophic loss of infrastructure and social services and employment. Through investment in enterprises that enhance community restoration alongside environmental sustainability coupled with social issue remediation impact investing drives Ukraine toward economic longevity combined with equitable development possibilities for the nation’s forthcoming years.”

PILOTING INNOVATIVE FINANCIAL INSTRUMENTS IN UKRAINE

BLENDED FINANCIAL SUPPORT IN UKRAINE

At the ends of 2023, USVF in partnership with The Possible initiated Ukraine's first program for partially repayable investments. This program combines international investment practices with the goal of scaling social impact:

- **Blended finance model** – 75% non-repayable support and 25% repayable funding (to be returned within 12 months).
- **Selection process** – Open call with 100 applications received, 60 companies passing technical selection, 20 shortlisted for training, and 5 receiving financial support (€33,000 per company).
- **Capacity-building initiative** – A two-week express course on finance and impact management, including training on financial planning, impact measurement, and business strategy development.
- **Mentorship support** – Each participating company received at least six hours of individual mentorship from financial and impact experts.

MATCH TRADING

Testing innovative financial mechanisms with women's businesses together with Ukrainian Women Entrepreneurs Hub.

This is an innovative funding model of the British school of Social Entrepreneurship, which The Possible tested for the first time in Ukraine in cooperation with Ukrainian Women Entrepreneurs Hub.

The total prize pool was 3,000 euros, and the maximum number of winners is 5.

The winners received a grant equal to the income of their impact business for November-December 2024. For example, if the income was €500, they received another €500 in support and can spend it on training or mentoring.

The goal of such a model is to motivate entrepreneurs to achieve new financial results and become resistant to challenges.

MATCH TRADE:

An income proportional grant from The Possible Fund to support impact business



OLENA KALIBABA

CEO,
Ukrainian Social Venture Fund

“Impact-driven businesses in Ukraine face unique challenges that demand innovative financial solutions tailored to the current realities. Classical impact investment models often fall short in such conditions. To address this, we piloted a blended financing approach that combines returnable and non-returnable support, unlocking SMEs' potential to generate both financial returns and measurable social and ecological impact. This flexibility allows businesses to scale sustainably, and our pilot proves its relevance. Moving forward, we aim to build on this foundation with advanced tools like low-interest loans, crowdfunding, community funds, and public-private partnerships. These approaches will ensure the effective use of resources and reinvestment opportunities, fostering the development of a robust impact entrepreneurship ecosystem in Ukraine.”

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NAVIGATING THE FUTURE OF IMPACT ENTREPRENEURSHIP IN UKRAINE

CHALLENGES FACING IMPACT ENTREPRENEURSHIP

The current ecosystem for social enterprises in Ukraine faces several key challenges that hinder growth and development. Access to capital remains a significant barrier, with social enterprises struggling to secure funding due to an underdeveloped financial infrastructure, high interest rates for loans, and complicated procedure

KEY ECOSYSTEM CHALLENGES

ACCESS TO FINANCING AND CAPITAL

Yet **46%** of small businesses in Ukraine have “never used external financing,” and many remain “uninformed about alternative financing support programs,” relying on self-financing instead.¹

SOCIAL IMPACT MEASUREMENT

The lack of standardized tools and frameworks for measuring social outcomes. Without these tools, it becomes difficult for social enterprises to showcase their social impact and return on investment.

FORMAL RECOGNITION OF SOCIAL ENTERPRISES

Social enterprises must operate under various legal structures such as NGOs, cooperatives, or limited liability companies (LLCs). Without a dedicated legal status, social enterprises miss out on potential tax incentives, subsidies, and financial relief.

LACK OF ADVOCACY AND INTERNATIONAL RECOGNITION

The social enterprise sector in Ukraine is still in its infancy and faces the challenge of limited advocacy. It makes difficult for social enterprises to attract foreign investment or form partnerships.

The combination of strong international support, EU accession prospects, and global economic trends creates an optimal environment for investment and business in Ukraine. However, significant challenges remain that need to be addressed for sustainable growth.

CHALLENGES FOR IMPACT-DRIVEN ENTERPRISES

- Damage to property due to the war and the need to relocate businesses from frontline cities
- Outdated equipment, requiring investment for modernisation
- Disruption of traditional logistics chains
- Interruptions in energy supply
- Shortage of qualified personnel due to mobilisation
- Lack of financial resources, including working capital and investments
- High dependence on specific sales locations, creating vulnerability in market access

CHALLENGES FOR INVESTORS

- Military risks and uncertainties in forecasts
- Insufficient modern knowledge and strategies for growth
- Lack of consolidated reporting and transparency
- Heavily reliant on grants and donations
- Lack of collateral to secure investments
- Short track record of business activity
- Currency inconvertibility and transfer restrictions
- Require longer timelines to demonstrate both social and financial returns
- The absence of tax incentives or favorable policies for impact investments

1. [UNDP - Assessment of Access to Financing by MSMEs](#)

2. [KSE - Financial instruments for business in Ukraine](#)

3. The Possible Alliance partners' insights

BLUEPRINT FOR CHANGE: BUILDING RESILIENCE AND DRIVING RENEWAL

Impact entrepreneurship in Ukraine is gaining traction as social innovators respond to both longstanding societal challenges and the more recent disruptions caused by the war and economic instability. This sector is rapidly evolving, driven by global trends, local initiatives, and the increasing engagement of international donors.

ACCESS TO CAPITAL

- Expand blended finance by combining grants, loans, and equity investments to de-risk social enterprise funding.
- Increase alternative financing through revenue-based financing, impact bonds, and crowdfunding.
- Engage the private sector by incentivising corporate partnerships and investment in impact-driven businesses.

IMPACT MEASUREMENT

- Standardise metrics by aligning with global frameworks such as IRIS+ and SDGs for impact tracking.
- Incentivise transparency by offering tax benefits or funding tied to impact reporting.
- Provide digital tools to support tech solutions for automated impact measurement.

ADVOCACY

- Build an impact business network to unite enterprises and amplify their voice in policy discussions.
- Raise public awareness by promoting impact entrepreneurship through media and education.
- Engage corporates and donors through partnerships with businesses and international funders to scale impact.

POLICY

Establish a clear legal definition of social enterprises in the legislation.

Instead of broad tax benefits, implement targeted tax relief mechanisms, such as:

- Deductions for businesses that invest in social enterprises
- Tax incentives for investors supporting verified social enterprises
- Simplified tax procedures for certified social enterprises.

Align with global standards by integrating impact investment into national economic policies.



anna
GULEVSKA-CHERNYSH

Chair of the Board,
SILab Ukraine

“Drawing on the EU’s approach to defining the social and impact entrepreneurship ecosystem, Ukraine’s ecosystem should develop harmoniously across key areas, including institutional growth, legal and regulatory frameworks, business skills development, market access, financial accessibility, impact measurement and management, and the promotion of a social entrepreneurship culture. What does this mean in practice? The following steps should be taken:

Introduce the terms social entrepreneurship and impact entrepreneurship at the legislative and policy levels. Without formal recognition, these concepts remain secondary, ambiguous, and largely irrelevant to policymakers at both local and national levels.

Incorporate social entrepreneurship and impact business initiatives into national, regional, and local strategies/programs related to sustainable economic development, SME growth, and post-war territorial recovery. These initiatives should be explicitly recognized and supported to ensure their growth and sustainability.

Enable social enterprises and impact businesses to participate in government tenders and procurement processes. Additionally, introduce preferential scoring mechanisms to provide them with a competitive advantage in the selection process.

Banks and other financial institutions, in collaboration with local governments, should develop specialized programs and financial support mechanisms for social enterprises and impact-driven businesses, ensuring access to funding for development. Ukrainian impact funds, such as the Ukrainian Social Venture Fund, should be established in partnership with European and international institutions to foster the practice of impact investing in Ukraine.

The study of social and impact entrepreneurship should be an obligatory part of economic and social disciplines in higher and vocational education. Local entrepreneurship support centers and business development organizations should incorporate a focus on impact-driven founders in their programs while encouraging traditional businesses to adopt impact-oriented practices. The concept of ‘impact’ should hold equal importance alongside other fundamental elements of both formal and informal business education.

Promoting outstanding examples of social and impact entrepreneurship—along with their social and environmental impact—should be a key strategy for independent journalists, media outlets, local government communication teams, and business support organizations. Inspirational success stories should be widely shared across Ukraine’s information landscape, motivating a broader community of entrepreneurs to adopt similar approaches.

This is the essential minimum needed to lay a strong foundation for the flourishing social and impact entrepreneurship ecosystem in Ukraine.”

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INVESTMENT PORTFOLIO OF IMPACT-DRIVEN BUSINESSES

OPPORTUNITIES AWAIT: A CALL FOR GLOBAL FUNDERS

Ukraine's impact-driven business sector presents an investment opportunity for global funders looking to drive economic, social, and environmental transformation. As the country undergoes recovery, investing in social enterprises, green businesses, and inclusive economic initiatives can yield both financial returns and measurable impact.

WHY INVEST IN UKRAINE'S IMPACT ECONOMY NOW?

■ POST-WAR UKRAINE'S HIGH GROWTH POTENTIAL

Post-war Ukraine is poised for substantial economic expansion, fueled by reconstruction initiatives, international assistance, and structural reforms. Early investments will enable investors to capitalise on this growth momentum.

■ INTERNATIONAL FINANCIAL AID

A substantial wave of international financial aid is being directed toward private-sector investments. This includes co-financing mechanisms with International Financial Institutions (IFIs) and Development Finance Institutions (DFIs), innovative war insurance solutions, the Ukraine Facility, and the Ukrainian Development Fund, all designed to de-risk and attract investment.

■ FAVORABLE MARKET TRENDS

Global economic trends continue to align in Ukraine's favor, including decarbonisation initiatives, EU nearshoring strategies, and increased defense sector investments, all of which present lucrative opportunities for forward-thinking investors.

■ EU ACCESSION AND MARKET INTEGRATION

Ukraine's progress toward EU membership is driving institutional reforms and regulatory alignment, creating a smoother pathway for businesses to integrate into the European market. Investors entering now will be well-positioned to benefit from future EU economic integration.

■ GOVERNMENT SUPPORT

The Ukrainian government is actively developing national programs focused on business environment improvements, infrastructure rehabilitation, and sectoral development.

WITH A LOW ENTRY THRESHOLD FOR INVESTMENT AND UNTAPPED POTENTIAL, UKRAINE OFFERS TRANSFORMATIVE OPPORTUNITIES

Support the reintegration of 1.2 million veterans, helping them transition into the workforce and contribute to society.

Drive economic growth through MSMEs, which account for 99% of economy, fostering job creation, and local development.

Provide returnable catalytic capital for long-term sustainability and scalability of initiatives.

Foster a €1 billion global impact market and lay the groundwork for Ukraine to become a hub for impact in Eastern Europe.

SHOWCASING THE POWER OF UKRAINE'S IMPACT-DRIVEN ENTERPRISES

THE POSSIBLE ALLIANCE'S PORTFOLIO INSIGHTS

45% female-led businesses

20+ high-impact ventures profiled to show the potential

Diverse sectors and regions

86% average YoY projected revenue growth rate from 2024 to 2026



20% Community Enterprises

Micro local enterprises



5% Veteran Enterprises

Owned or operated by veterans



35% Social Enterprises

Social impact mission is core



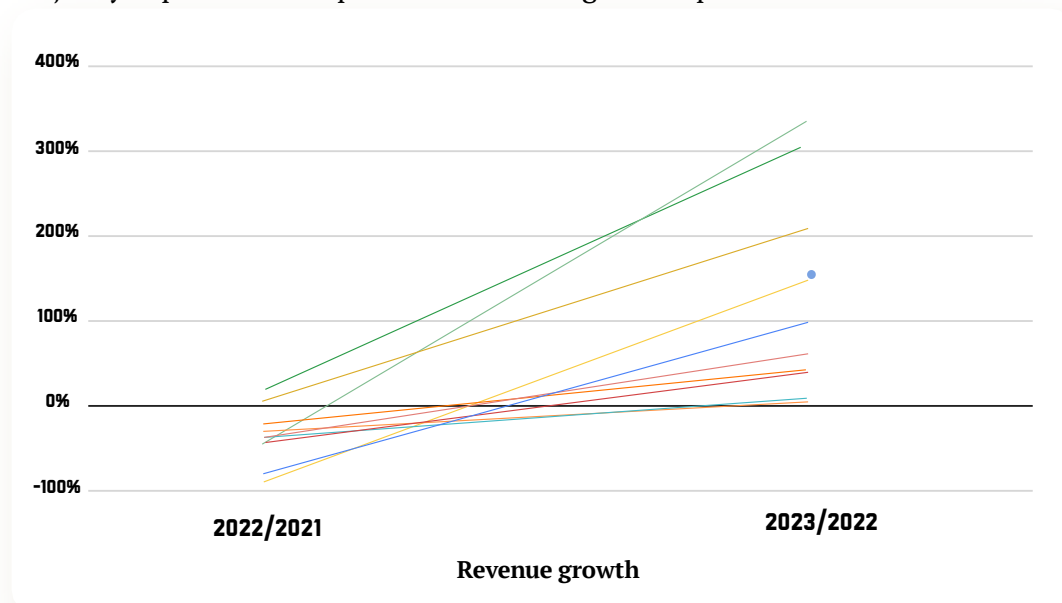
40% Green Enterprises

Environmental impact focused



IMPACT COMPANIES LEADING THE WAY IN SOCIAL AND ENVIRONMENTAL CHANGE

Majority of portfolio companies continue to grow despite the



CAGR 2021-2023	
Zeleniy Ptah	-78%
Frendt	-21%
Museum in the dark "03:00"1.	70%
IT'S CRAFT	109%
Advansys	-4%
NO WASTE Ukraine	-23%
Sunshine cafe	143%
Samotuzhka	-8%
Promgidroprivod	-89%
Medicasano	40%
PAE Ukraina	-24%

KEY HIGHLIGHTS:

Businesses are at the forefront of Ukraine's

Innovative solutions driving social and environmental impact

Resilience and performance across sectors

Anticipated upward momentum and strategic impact

PROFILES OF PURPOSE: THE IMPACT BUSINESS CATALOGUE

DIGITAL INVESTMENT CATALOGUE OF IMPACT-DRIVEN ENTERPRISES ON DIIA.BUSINESS PLATFORM

[View the portfolio](#)



EXTENDED CATALOGUE OF INVESTMENT-READY IMPACT-DRIVEN BUSINESSES

SEPTEMBER 2024

UKRAINE IMPACT CATALYSTS

Investment Portfolio of Impact-Driven Businesses

[View the portfolio](#)

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