



EU4Digital

EU4Digital: supporting digital economy
and society in the Eastern Partnership

Digital innovation SMEs' access to finance: action plan for policy recommendations: Ukraine

June 2020



Background

The EU4Digital Facility was launched by the European Commission in January 2019. It aims to extend the benefits of the European Union's Digital Single Market to the Eastern partner countries: Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine. The EU4Digital Facility works in six digital thematic areas, including ICT innovation stream.

In 2019-early 2020, the ICT Innovation stream is focusing on the identification and sharing of best policies and practices of policy implementation at the national and regional level in ICT innovation field. Each Eastern partner country selected one policy area for EU4Digital Facility to focus on.

Five policy areas have been selected by partner countries:

1. Intellectual property rights management for digital innovations (Armenia);
2. New organisational forms for supporting ICT Innovation (Azerbaijan);
3. **Digital innovation SMEs' access to finance** (Georgia, **Ukraine**);
4. ICT innovation ecosystems for start-ups and scale-ups (Moldova);
5. Digitising industry (digital transformation of SMEs in traditional sectors) (Belarus).

For each of these areas, the Facility has studied the best EU practices, undertaken the gap analysis in each country and developed recommendations that identify specific EU tools, platforms, practices that can be mastered by Eastern partner country stakeholders.

The gap analysis and recommendations have been validated with the EU4Digital ICT innovation Expert Network of Ukraine in April 2020.

This document provides the **action plan** for addressing the gaps related to policy area '**Digital innovation SMEs' access to finance' in Ukraine**. It defines six key recommendations with action steps and considerations for implementation or intervention.

The proposed action plan can be used as a basis for further activities and possible independent joint projects of stakeholders. Some of activities proposed in this action plan can be covered within the current mandate of the EU4Digital Facility (trainings, study visits, networking events, promotion activities, etc.).

This document was provided for national stakeholder consultation. EU4Digital Facility asked the stakeholders to read and share their position, comments and suggestions during the consultation.

List of abbreviations used in the document:

BA – Business angel	ISE Group – Innovation Startup Entrepreneurship Group	NVCA – National Venture Capital Association (USA)
BIC – Business and innovation centres	KAU – Kyiv Academic University	PEF – Private equity fund
CYFRD – CYFRD Frontech Investments	LGF – Loan Guarantee Fund	P2P – Peer to peer
DIH – Digital Innovation Hub	MoDT – Ministry of Digital Transformation of Ukraine	SMEDO – SME Development Office/State Agency for SME Development (Ministry of economic development, trade and agriculture of Ukraine)
EaP – The Eastern Partnership	MoES – Ministry of Education and Science	TBD – To be determined
EBA – European Business Association	MoETA – Ministry for Development of Economy, Trade and Agriculture of Ukraine	UAngel – Ukrainian business angels network
EBN – European Business Network	MoF – Ministry of Finance	UAFC – The Ukrainian Association of FinTech and Innovation Companies
EC – The European Commission	MSMEs – micro, small and medium enterprises	UVCA – Ukrainian Venture Capital and Private Equity Association
EU – The European Union	NASU – National Academy of Sciences of Ukraine	VCF – Venture capital fund
EVCA – European Venture Capital Association/Invest Europe	NBU – National bank of Ukraine	WBAF – World Business Angels Investment Forum
FoF – Fund of Funds	NSSMC – National securities and stock market commission of Ukraine	
HEIs – Higher Education Institutions		



This policy area addresses the financing needs of both start-ups and SMEs for which digital innovations make the core of the business model as well as existing enterprises in traditional industries, which can use digital innovations to increase the efficiency of operations.

On their development path, SMEs face different needs and challenges in both – the size and the type of investments – that may help funding the digital innovations and high-risk investments at different lifecycle stages. The goal of a good policy practice is to compensate for weaknesses in the financial markets and increase access to finance for start-ups and SMEs. This explains the logic and the structure of recommendations, covering various types of actors providing external and alternative funding for digital innovations and special knowledge that should accompany high-risk investments.

Alternative finance refers to a range of products emerging outside of traditional banking for businesses that have difficulties in accessing banking loans because of their high-risk business plans (e.g. peer-to-peer lending, crowdfunding, marketplace lending and initial coin offering (ICO)).

Crowdfunding is “the practice of funding a project or venture by raising many small amounts of money from a large number of people (“crowd”), typically via the Internet (online platforms)” ([Lexico 2014](#)). Crowdfunding platforms in their different models (donation-based, reward-based, equity-based and lending-based) are a new powerful source of alternative funding that make start-ups less dependent on typical venture capital exit models and allow raising funds without a material collateral that is required by banks.

Business angel (BA) investors are “high net worth individuals who usually provide smaller amounts of finance at an earlier stage than many venture capital funds are able to invest. They are increasingly investing alongside seed venture capital funds” ([WBAF 2019](#)). For Business Angels to operate as a part of international business network is a mean of risk-leverage which also help to increase success rate of investments via better decision making and connection to the next-stage investors.

Venture capital (VC) is a form of private equity financing that is provided by venture capital firms or funds to start-ups, early-stage, and emerging companies. Raising up national **venture investors** is a long-term task that includes providing the wealthy citizens incentives to make risky investments inside the country and training them by well-educated and internationally practiced venture funds managers. The medium-term task is to attract to Ukraine the venture investments from abroad, to equip the Ukrainian start-ups with an opportunity to get funding for their scale-up stage of development, while staying the residents of the country.

Digital transformation is understood as “a fusion of advanced technologies and the integration of physical and digital systems, the predominance of innovative business models and new processes, and the creation of smart products and services” [[EC](#)]. Objective of the policy on digitising industry is to ensure that businesses of all sizes, location and sectors in Europe can draw the full benefits from digital innovation. If a solid digital transformation implies the revision of a business model, funding of such modernisation becomes too risky for traditional banking loans, and hence new instruments, like loan guarantees, apply.

High risk digital innovations are new ideas based on disruptive technologies coupled with business model changes that need quick introduction into the market. Financial resources for such cases need to be open immediately; a 9-month project contest is an extremely unsatisfactory pipeline for digital innovations. Therefore, alternative financing sources are required as per best practises in EU and globally.



Overview of the Action Plan

Key recommendations	Reference to Policy recommendations
<p>1. Enhance the legal framework to create a more trusted and empowered environment for alternative finance</p> <p>Final goal: Access of start-ups and SMEs to alternative finance (e.g. peer-to-peer lending, crowdfunding, marketplace lending and initial coin offering (ICO)) takes place in a more trusted and accredited environment.</p>	R.1.1.-R.1.3.
<p>2. Facilitate further development of individual business angels and associations by providing financial incentives, training to select the investment opportunities and integrating them into the EU and global networks</p> <p>Final goal: The capacity of business angels to select the investment opportunities is increased, individual business angels and associations are consolidated inside Ukraine and integrated with the EU investors networks. BICs are set up as intermediaries between SMEs and BA / VCF and PEF. Also, financial incentives (tax benefits, co-investment schemes, etc.) are introduced for business angels, resulting in increased success rate and improved conditions for their investments.</p>	R.3.1.-R.3.5.; R.7.2.-R.7.3.
<p>3. Facilitate further development of venture capital ecosystem by improving venture investment policy and providing training to select the investment opportunities</p> <p>Final goal: The capacity of investors to select investment opportunities is increased, the venture capital ecosystem in Ukraine is strengthened and taxation policy is improved to attract more EU venture investments in Ukraine and increase access of Ukrainian companies to venture investments. To facilitate and increase direct investments into SMEs, the Fund of Funds is established for scaling up businesses in priority sectors of economy.</p>	R.4.1.-R.4.4.; R.7.2.-R.7.3.
<p>4. Facilitate the development of local crowdfunding and peer-to-peer lending platforms through harmonisation of the legal framework for crowdfunding with the EU regulations and supporting their integration with the EU platforms and networks</p> <p>Final goal: The legal framework for crowdfunding in Ukraine is harmonised with the EU regulations empowering local crowdfunding and peer-to-peer lending platforms to scale up their operations. Integration of Ukrainian crowdfunding and peer-to-peer lending platforms with the EU platforms and networks is supported.</p>	R.2.1.-R.2.4.
<p>5. Determine more accessible and inclusive funding opportunities for successful digital transformation of traditional SMEs</p> <p>Final goal: The financial framework which includes both public and private financial opportunities for digital transformation of SMEs in non-IT sectors of economy is determined and provided to help the traditional enterprises to perform digital transformation. To facilitate access to capital for micro and small businesses, a public Loan Guarantee Fund is established.</p>	R.6.1.-R.6.2.; R.8.2.
<p>6. Provide the advisory, training, matchmaking and collaboration support for digital innovation SMEs looking for funding</p> <p>Final goal: Increased access to finance for digital innovation SMEs from local and international sources. Information and matchmaking platforms connect finance-seeking SMEs with potential providers of public funds, investors and lenders.</p>	R.5.1.-R.5.3.; R.7.1.; R.8.1-R.8.3.



Detailed Action Plan

Recommendation / Action	Potential activity owners / leads	Other participants (optional)	Indicative timeline		Status	Specification	Link to Policy REC	Comments and suggestions
			2020-2021	2022-2025				
1. Enhance the legal framework to create a more trusted and empowered environment for alternative finance Final goal: Access of start-ups and SMEs to alternative finance (e.g. peer-to-peer lending, crowdfunding, marketplace lending and initial coin offering (ICO)) takes place in a more trusted and accredited environment.								
1.1. Establish communication with the advanced EU organisations on alternative finance regulation for knowledge transfer	NBU; MoETA; MoF; MoDT; NSSMC	SMEDO	X		In progress	<i>Examples:</i> Altfinator ; Global Financial Innovation Network ; The World Savings and Retail Banking Institute ; European Savings and Retail Banking Group ; European Forum for Innovation Facilitators (EFIF)	R.1.2.	Part of strategy of financial sector development of Ukraine 2025 https://mof.gov.ua/storage/files/Strategija_financovogo_sektoru_ua.pdf
1.2. Review the EU member states' practice of the legal framework for alternative finance, including the development of regulatory sandboxes, and consider its application in Ukraine	NBU; MoETA; MoF; NSSMC	MoDT; UAFIC	X	X	In progress	<i>Example:</i> ESBG, 2019 <i>Note:</i> TAIEX and TWINNING are the EU technical assistance tools that could be supportive in transfer of particular EU policy practices in Ukraine by the EU supervision during policy elaboration.	R.1.1.	
1.3. Consider introduction of an accreditation system for alternative finance providers	NBU; MoDT; NSSMC	MoDT; MoETA; UAFIC; SMEDO; Hi-Tech Office		X	In progress	<i>Example:</i> an accreditation (certification) system for institutions and providers of alternative financing administered by the Catalan Agency for Business Competitiveness (ACCIÓ).	R.1.3.	
2. Facilitate further development of individual business angels and associations by providing financial incentives, training to select the investment opportunities and integrating them into the EU and global networks Final goal: The capacity of business angels to select the investment opportunities is increased, individual business angels and associations are consolidated inside Ukraine and integrated with the EU investors networks. BICs are set up as intermediaries between SMEs and BA / VCF and PEF. Also, financial incentives (tax benefits, co-investment schemes, etc.) are introduced for business angels, resulting in increased success rate and improved conditions for their investments.								
2.1. Introduce capacity building programme for	MoETA; MoDT;	MoF; SMEDO;	X	X	Not started	<i>Possible steps:</i>	R.3.2; R.7.2;	



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			2020-2021	2022-2025				
individual BAs to facilitate the development of them and enhance capacity of selecting projects for investments	MoES; UVCA	Tech StartUp School; CYFRD UAngel				<ol style="list-style-type: none"> inventorise training opportunities, decision-making tools, and other capacity building opportunities; promote opportunities; negotiate preferred rates with course providers (optional); develop best practices and supportive tools to foster the development of BAs in the country; develop national training programmes based on the best global trainings' practices (optional). <p><i>Examples of BAs trainings:</i> Altfinator; Venture University; ESIL Digital Academy; EBAN Knowledge Center; World Business Angel Investment Forum.</p>	R.7.3.	
2.2. Set up Business and innovation centres (part of European Business Network) as intermediaries between SMEs and BA/VCF and PEF	MoETA	SMEDO	X	X	In progress	EBN partnership is planned via SMEDO/new agency and building national network of EU certified BICs is in the UA Government Action Plan 2020-2022 by MoEDT/SMEDO. <i>Proposed steps:</i> <ul style="list-style-type: none"> hold negotiations with EUD and EBN regarding development of certified BICs regional network in Ukraine; preparation of adopted methodical recommendations for Certification of BICs; selection of 5 potential pilot BICs in Ukraine and capacity building by EU partner BICs; enhance development of BICs network in Ukraine. 	NA	
2.3. Integrate Ukrainian BA associations to the EU	UVCA;	MoETA;	X		Not started	<i>Possible steps:</i> <ol style="list-style-type: none"> select platforms; 	R.3.1.	



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			2020-2021	2022-2025				
and global networks of investors to support BA in building relations with further investors	EBA; EBN/BICs	MoDT; MoF; SMEDO; UVCA; CYFRD; Ukraine Invest UAngel Tech StartUp School				2. facilitate membership; 3. enable knowledge transfer. <i>Examples:</i> Business Angels Europe ; The European Trade Association for Business Angels, Seed Funds and Early Stage Market Players (EBAN) ; World Business Angel Investment Forum		
2.4. Consider the transfer of European practice of application of convertible permissible notes and advanced subscription agreements for better BA investments protection and incentives to invest	NSSMC; MoETA; UVCA	MoDT; MoF; Tech StartUp School; CYFRD UAngel		X	Not started	<i>Possible steps:</i> 1. analyse the European practice (Germany, the UK, etc.) of application of convertible permissible notes and advanced subscription agreements, which are specific types of investments (mezzanine/quasi-equity); 2. consider the introduction of definitions and rules; 3. consider transfer to Ukraine of model agreements and practices.	R.3.3.	Mentioned in Strategy of financial sector development of Ukraine 2025 https://mof.gov.ua/storage/files/Strategij_a_financovogo_sektoru_ua.pdf
2.5. Consider introducing tax benefits for BAs to foster their investments	MoF; State Tax Service	MoETA; MoDT; NBU Tech StartUp School; UAngel; CYFRD; UVCA		X	Not started	<i>Notes:</i> <ul style="list-style-type: none"> both income and capital gains taxation for investors can be considered; different schemes (tax deduction, tax exemption, tax credit, tax deferral, loss relief) can be considered; TAIEX and TWINNING are the EU support tools that could be supportive in transfer of particular EU tax benefits scheme in Ukraine by the EU supervision during policy elaboration. 	R.3.4.	
2.6. Consider introducing co-investments scheme	MoETA; MoDT;	Tech StartUp School;		X	Not started	<i>Action steps:</i>	R.3.5.	



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for BAs complemented with expertise and advice from experienced international investors	MoF; NSSMC; UVCA	CYFRD; MoF; State Tax Service UAngel				1. relevant schemes in the EU to be analysed; 2. their feasibility and economic effects for Ukraine to be assessed and further decision made. <i>Options:</i> <ul style="list-style-type: none"> This co-investment might be done by a dedicated public fund (from the state budget), or be a private-public fund, or a fund established with assistance of international financial organisations (WB, EIB, USAID). The advisory council could be sought from the EU/international BA communities. 		
3. Facilitate further development of venture capital ecosystem by improving venture investment policy and providing training to select the investment opportunities Final goal: <i>The capacity of investors to select investment opportunities is increased, the venture capital ecosystem in Ukraine is strengthened and taxation policy is improved to attract more EU venture investments in Ukraine and increase access of Ukrainian companies to venture investments. To facilitate and increase direct investments into SMEs, the Fund of Funds is established for scaling up businesses in priority sectors of economy.</i>								
3.1. Harmonise legislation of venture capital investments in Ukraine with the advanced EU legislation	MoF; MoETA; MoDT; MoES	UVCA; CYFRD; ISE Group; SMEDO; Advanter Group	X	X	Not started	<i>Possible steps:</i> <ol style="list-style-type: none"> analyse existing EU regulations (UCITS, AIFM, EuVECA, EuSEF, ELTIF, PRIIPs), including definitions, rules, principles; identify the differences with UA legislation; analyse the economic effects of adjusting Ukrainian legislation and hold consultations; perform stakeholders consultations via a workgroup involving both regulators and VC association; develop the legislation as decided. 	R.4.1.; R.4.3.	In Ukraine the legislation is more favourable and tax incentives for investors are defined by incorporation of the Funds in Ukraine as an Asset Management Company (KYA) via Corporate



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			2020-2021	2022-2025				
3.2. Perform analysis of other competing jurisdictions comparing with the current Ukrainian policy for venture investments taxation to identify required adjustments	MoF; MoES; NSSMC	MoDT; MoETA; State Tax Service; ISE Group; CYFRD; SMEDO; Advanter Group	X	X	In progress		R.4.2.	investment fund (KIF)
3.3. Consider introducing the national co-investments scheme for venture capital investments	MoF; MoETA; MoDT; MoES; UVCA; NBU; NSSMC	Tech StartUp School; CYFRD; USF	X	X	In progress	<i>Possible steps:</i> 1. prioritising the areas to be supported by co-investing; 2. setting up the operating body; 3. allocating budget; 4. in a medium-term, the list of EU co-investment mechanisms is recommended to be used.	R.4.4.	
3.4. Introduce capacity building programme for individual venture capital investors and fund managers to enhance capacity of selecting projects for investments	MoETA; MoES; MoDT; MoF	DIH; MoES & HEIs; KAU; UVCA; USF; Israel-Ukrainian Alliance; SMEDO	X		Not started	<i>Possible steps:</i> 1. promote opportunities of training, decision-making tools, and other capacity building opportunities across the world; 2. develop national training programmes based on the best global trainings' practices (optional). <i>Examples of VCs programmes:</i> Israel-Ukrainian Alliance EVCA, NVCA, Altfinator ; Venture University , i.e. The VC/PE Investment Apprenticeship Track ; ESIL (Early stage investing Launchpad) ; InnoRate project .	R.7.2; R.7.3.	
3.5. Establish a Fund of Funds as a mechanism of risks/rewards to increase	MoF; MoETA/SMEDO;		X	X	In progress	<i>Next steps:</i>	NA	



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			2020-2021	2022-2025				
national and international direct investments as well as facilitate access to capital for micro and small enterprises	MoDT; NBU; NSSMC; UVCA;					<ol style="list-style-type: none"> hold negotiations with EU relevant funds and financial institutions as EIF, EIB on the best practice recommendations; develop UA model; structure fund early in 2021 (budget funding has to be available). <p><i>Examples of FoF:</i> ESCALAR Programme, Vintage Pan-European Venture Capital Fund(s)-of-Funds programme</p> <p><i>Notes:</i></p> <ul style="list-style-type: none"> The establishment of the Fund of Funds is included to the UA Government Action Plan 2020-2022 by MoEDT/SMEDO. Fund of Funds will work as a mechanism of risks/rewards to increase the size of funds, according to which public co-financing can act as an anchor investment and additional co-financing from international financial organisations and foreign countries to attract more private investors in high-growth SMEs and an increase in national and foreign direct investment in Ukraine's economy. 		
<p>4. Facilitate the development of local crowdfunding and peer-to-peer lending platforms through harmonisation of the legal framework for crowdfunding with the EU regulations and supporting their integration with the EU platforms and networks</p> <p>The final goal: <i>The legal framework for crowdfunding in Ukraine is harmonised with the EU regulations empowering local crowdfunding and peer-to-peer lending platforms to scale up their operations. Integration of Ukrainian crowdfunding and peer-to-peer lending platforms with the EU platforms and networks is supported.</i></p>								
4.1. Consider the harmonisation of legislation on crowd and peer to peer finance service providers in	NBU; NSSMC	Tech StartUp School; MoF; MoETA; SMEDO		X	Not started	<p><i>Possible steps:</i></p> <ol style="list-style-type: none"> perform analysis of the EU regulatory framework on crowd and peer to peer finance service providers, including: <ol style="list-style-type: none"> legislative proposal for an EU framework on crowd and peer to 	R.2.1.	Mentioned in Strategy of financial sector development of Ukraine 2025 https://mof.gov.ua/st



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			2020-2021	2022-2025				
Ukraine with the EU regulations						<p>peer finance adopted by Commission on 8 March 2018 (COM(2018)113/DOCUMENT-2018-31146);</p> <p>b. the Proposal for a Regulation of the European Parliament and of the Council on European Crowdfunding Service Providers (ECSP) for Business (COM/2018/0113 final - 2018/048 (COD)).</p> <p>2. consider its potential application in Ukraine with attention to crowd investing (equity-based) and P2P lending (loan-based).</p>		orage/files/Strategija_financovogo_sektoru_ua.pdf
4.2. Register the Ukrainian crowdfunding/P2P lending platforms to international networks and platforms to increase the global visibility of investment opportunities and attract additional funds through crowdfunding platforms	NSSMC; MoETA	NBU; MoF; SMEDO; Tech StartUp School	X		Not started	<p><i>Examples:</i></p> <p>P2P Market Data; European Crowdfunding Network</p> <p><i>Possible steps:</i></p> <ol style="list-style-type: none"> 1. identify platforms and networks; 2. promote the registration opportunities among UA crowdfunding platform. 	R.2.2.	
4.3. Facilitate joining Ukrainian crowdfunding platform management to the EU professional networks	MoETA;	MoDT; SMEDO; Startup Network; Tech StartUp School	X		Not started	<p><i>Examples of networks:</i></p> <p>European Crowdfunding Network; Crowd Fund Portal</p>	R.2.3.	
4.4. Promote success stories of crowdfunding/P2P lending to raise level of trust to such kind of investments	MoETA; MoDT; SMEDO	MoETA; UAFIC; Startup Network; UVCA;		X	Not started		R.2.4.	



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			2020-2021	2022-2025				
		Tech StartUp School						
5. Determine more accessible and inclusive funding opportunities for successful digital transformation of traditional SMEs Final goal: <i>The financial framework which includes both public and private financial opportunities for digital transformation of SMEs in non-IT sectors of economy is determined and provided to help the traditional enterprises to perform digital transformation. To facilitate access to capital for micro and small businesses, a public Loan Guarantee Fund is established.</i>								
5.1. Develop (revise) the financial support framework for digital transformation of traditional SMEs	MoETA; MoF; MoDT; MoES; ISE Group;	SMEDO; Advanter Group; APPAU, Hi-Tech Office;	X	X	In progress	<i>Possible steps:</i> 1. map the available sources of funding from state, international financial organisations, etc. that are available to SMEs, covering various types of digital transformation activities; 2. the classification of digital transformation processes and loan allocation rules of COSME Loan Guarantee Facility should be applied; 2. identify the gaps not covered by existing funding sources for SMEs; 3. develop the framework, which can include both public support mechanisms (grants, innovation vouchers, state guarantees, tax incentives) and negotiated instruments of support from international (financial) organisations and private financial sector.	R.6.1.	
5.2. Localise the recommendations in other relevant ICT Innovation intervention areas (developed for other EaP countries by EU4Digital Facility) in order to support digital transformation of SMEs	MoDT MoETA; DIH; MoES ISE Group; Advanter Group; KAU; NASU	SMEDO Hi-Tech Office; APPAU; The EU-Ukraine Civil Society Platform	X		Not started	<i>Notes:</i> <ul style="list-style-type: none"> For example, analyse and adjust the topic 'Digitising industry (digital transformation of SMEs in traditional sectors)'. • To support digital transformation of SMEs, a set of complementary issues are recommended to be covered: <ul style="list-style-type: none"> the resource base for digital transformation apart from the funding, including network of 	R.8.1.	



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			2020-2021	2022-2025				
						specialised competence centres, specialised digital innovation and entrepreneurial education organisation, digital platforms and digital industrial (sectoral) platforms etc.; <ul style="list-style-type: none"> o policy and organisational setup for digital transformation in the country, including organisational mechanisms and practices for discussions and joint work of diverse stakeholders; o mapping the outcomes of digital transformation. 		
5.3. Establish co-piloting and co-financing schemes for digital transformation	MoETA; MoF; MoDT; ISE Group	Ukrainian Startup Fund; SFII; MoES; KAU	X	X	In progress	<i>Possible steps:</i> <ol style="list-style-type: none"> 1. establish a specialised fund, its governance and operating model; 2. negotiate partnership with international limited partners; 3. develop the investment policy (one of criteria: pilots should be able to be implemented in different jurisdictions (the EU and Ukraine/the EaP) and by different instruments (minority equity investments, up to 30%; seed and early growth stage start-ups); 4. enhance the fund governance with experts in different industries/sectors; 5. support enterprises by co-funding, matchmaking, legal advice, etc; 6. establish a promotion programme for EU companies to co-pilot the digital transformation solutions. <i>Notes:</i>	R.6.2.	



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			2020-2021	2022-2025				
						<ul style="list-style-type: none"> The idea is validated at Digital Innovation Hub and with Polish partners (PFR; HardTech; Polish-Ukrainian Startup Bridge) Possible partners in the EU - EIF; PFR 		
5.4. Develop platform for access to innovative and digital tools for doing business and learning (P2P case learning)	MoDT MoETA; MoES; SMEDO	UA SMEs UA BA schools; APPAU	X		In progress	<p>To provide access and expert support to SMEs regarding existing solutions (cases) and tools for optimising businesses with introduction of digital tools.</p> <p><i>Note:</i> P2P case learning platform is included to the UA Government Action Plan 2020-2022 by MoEDT/SMEDO.</p>	NA	
5.5. Establish a public Loan Guarantee Fund to facilitate access to capital for micro and small businesses	MoF; MoETA; NBU; NSSMC	SMEDO	X	X	In progress	<p><i>Possible steps:</i></p> <ol style="list-style-type: none"> analyse existing international best practices; adjust the legislative acts of Ukraine; establish a public financial institution Loan Guarantee FundsAllocate state. 	NA	
<p>6. Provide the advisory, training, matchmaking and collaboration support to digital innovation SMEs looking for funding</p> <p><i>Final goal: Increased access to finance for digital SMEs from local and international sources. Information and matchmaking platforms connect finance-seeking SMEs with potential providers of public funds, investors and lenders.</i></p> <p><i>Note: there are multiple national platforms planned in Ukraine to support of SME and start-ups access to finance. EU4Digital recommends considering possible alignments between the initiatives and providing a single access point.</i></p>								
6.1. Develop a national online platform in the format of one stop shop Diia.Business for entrepreneurs with a special focus on creating digital tools for SMEs to obtain funding, consulting, online training programmes and more.	MoDT; MoETA; MoF; MoES	NBU; SFS; ISE Booster; EBA; Tech StartUp School; Advanter Group;	X		In progress	<p><i>Notes:</i></p> <ul style="list-style-type: none"> MoDT has already planned to develop such functionality on the Diia Business website and negotiate with international partners. <p><i>Functionalities:</i></p> <ul style="list-style-type: none"> the platform Diia.Business includes new types of free online consultations for 	R.5.1.; R.8.1.; R.8.3.	



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			2020-2021	2022-2025				
		HEIs; KAU; UVCA; USF				entrepreneurs (consultations are currently available in 21 areas); <ul style="list-style-type: none"> Diia.Business also includes online training courses on business digitalisation, fundraising, digital financial literacy and more are available. 		
6.2. Create national automated platform for Sustainable Entrepreneurship as a single tool – one stop shop – for SMEs and ecosystems with remote access	MoETA/SMEDO;	NBU; MoDT	X		In progress	A single platform for existing MSMEs and start-ups as well as potential entrepreneurs - a digital single tool to access finance, markets and expertise. <i>Functionality:</i> <ul style="list-style-type: none"> personalised list of programmes/products: financial, training, consulting etc provided by state, donors, banks, private ecosystem; automated submission of applications for SMEs to selected programmes simultaneously; automated preparation and submission of business plans and applications for priority State support programmes; automated access to government, grant and banking programmes for SMEs, supply chains, value chains. <i>Notes:</i> <ul style="list-style-type: none"> Enablement of the dynamic link with Diia.Business is needed. Training of consultants for SMEs/intermediaries/Regional Information points of entrepreneurs in Ukraine is needed to provide the services. 	NA	Mentioned in Strategy of financial sector development of Ukraine 2025 . National automated platform for sustainable entrepreneurship is included to the UA Government Action Plan 2020-2022 developed by MoEDT/SMEDO.
6.3. Promote and continue development of the existing matchmaking	MoETA; MoES;	MoDT; UVCA;	X		In progress	<i>Note:</i>	R.7.4.	



Recommendation / Action	Potential activity owners / leads	Other participants (optional)	Indicative timeline		Status	Specification	Link to Policy REC	Comments and suggestions
			2020-2021	2022-2025				
platform connecting start-ups and SMEs in Ukraine with potential investors	DIH; KAU	CYFRD; HEIs; Tech StartUp School				<p>MoES, MoDT, MoETA created a <i>DIH</i> which connects stakeholders of the innovation ecosystem and matchmaking start-ups and SMEs with potential investors. DIH provides:</p> <ul style="list-style-type: none"> • communication platform for ecosystem players to connect to each other and share ideas, policy developments, etc.; • online matchmaking platform (under development) to resolve challenges of Ukrainian corporates through start-up solutions and commercialisation of R&D, matchmaking (e.g. Science2Business). <p><i>Possible activities and developments:</i></p> <ul style="list-style-type: none"> • attract more stakeholders from Ukraine, especially finance providers; • collaborate with similar EU hubs and integrate Ukrainian DIH into EU networks to exchange the information and communication (e.g. EuropeanStartups, Dealroom). 		
6.4. Facilitate joining the existing matchmaking platforms in the EU connecting finance-seeking SMEs with private investors and lenders	MoETA; MoDT; MoES; KAU	UVCA; CYFRD; Hi-Tech Office; Tech StartUp School; MoES & HEIs	X		In progress	<p><i>Examples of EU platforms:</i> https://www.euroquity.com/;</p> <p><i>Note:</i> MoDT has already planned to develop such functionality on the Diiia. Business website and negotiate with international partners.</p>	R.8.2.	
6.5. Promote wider usage of the available EU public funding opportunities	MoETA; MoES; MoDT	MoDT; MoF; ISE Booster; KAU;	X	X	In progress	<p><i>Possible steps:</i></p> <ol style="list-style-type: none"> 1. collect the list of the EU funding opportunities for digital innovations for which Ukraine is eligible; 	R.5.3.	



Recommendation / Action	Potential activity owners / leads	Other participants (optional)	Indicative timeline		Status	Specification	Link to Policy REC	Comments and suggestions
			2020-2021	2022-2025				
		Hi-Tech Office; Tech StartUp School				2. promote it via public agencies, trade chambers; business associations, NGOs. <i>Examples of EU funding opportunities:</i> EIC Pathfinder, Accelerator, FTI, COSME		
6.6. Consider the possibilities to shorten the application review process for fast track support of high-risk innovations and social innovations	MoETA; MoF; MoES	MoDT; MoF; USF; ISE Booste; KAU; Hi-Tech Office; Tech StartUp School		X	Not started	<i>Possible steps:</i> 1. study the scheme of the EU financial fast track instruments' operational mechanism and decision-making process; 2. implement them in Ukrainian special fund for piloting and deployment of innovative solutions. <i>Example:</i> UK Small and Medium Sized Business (Finance Platforms) Regulations .	R.5.2.	
6.7. Launch national training programmes for start-ups and SMEs to attract business angel and venture funding and other type of alternative funding	MoES; Tech StartUp School; Startup Bridge; DIH	MoETA; MoDT; MoF; USF; UVCA; KAU	X	X	Not started	<i>Possible topics:</i> <ul style="list-style-type: none"> • funding and exit schemes; • matching with requirements; • alternative options of funding. <i>Possible approaches:</i> <ul style="list-style-type: none"> • train the trainers online and onsite on existing EU trainings; • establish partnerships with EU organisations providing trainings, transfer and localise the training package. <i>Note:</i> To be available in local language; explaining the specifics of operation needed in case of such funding attraction and specifics of exit scheme.	R.7.1.	