

PROGRESS

Promoting Green Deal Readiness in
the Eastern Partnership Countries



The development of green finance in the agricultural sector

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What this is about:

- What is green finance?
- Why is green finance a new reality, rather than a passing fad or a random phenomenon?
- What is the state of green finance in Ukraine?
- What do green finance instruments look like?
- What should be a farmer's first steps towards green finance?

NULES of Ukraine

What is green finance?

Green finance is the financing of economic activities and projects that make a significant contribution to at least one of the **six environmental goals**

The EU approach (official framework) – green finance is part of the **sustainable finance** system, which aims to **redirect capital towards environmentally sustainable economic activities**

Environmental objectives of the EU Taxonomy:

- 1) mitigating the effects of climate change
- 2) adaptation to climate change
- 3) sustainable use and protection of water and marine resources
- 4) transition to a circular economy
- 5) prevention and control of pollution
- 6) protection and restoration of biodiversity and ecosystems

The sustainable finance system

- **Green finance** – a subset of sustainable finance focused **exclusively on environmental investments**
- **Sustainable finance is** the broadest and most official term used by the European Commission. It encompasses instruments for integrating **environmental, social and governance (ESG) factors** into financial decisions
- **Climate finance is** the narrowest concept, relating solely to the fight against climate change (CO2 emissions)

The key regulatory framework is **EU Regulation 2020/852 (EU Taxonomy)**, which defines when an activity can be considered environmentally sustainable; such an activity is recognised as sustainable if it:

- **significantly contributes to** one or more environmental objectives;
- **does not cause significant harm to** other environmental objectives (the *'Do No Significant Harm'* principle);
- meets **minimum social standards**.

Why green finance is the new reality

- The EU's 'Green Deal' policy and the UN Sustainable Development Goals
- Climate risk, adaptation to climate change
- New regulatory requirements are gradually becoming mandatory (resource use limits, environmental impact, CBAM, ESG reporting, banking sector stress tests)
- The advantages of new technologies (renewable energy, electric transport, robotics, etc.)
- Rising costs of resources: fuel, electricity, fertilisers, logistics

- ***Hyper-liquidity (sic!) of the green finance market:*** the volume of green bond issuance in 2025 has exceeded the \$1.5 trillion mark. For large infrastructure projects, 'green' capital is now more accessible and cheaper than traditional capital

Why should green finance be part of the agricultural sector?



- The agricultural sector is one of the largest consumers of natural resources (69% of the country's land area), water (20–30% of consumption) and energy (up to 10%)
- Access to international financing and markets in other countries
- Reputational benefits and competitiveness

The scale of green financing in the EU

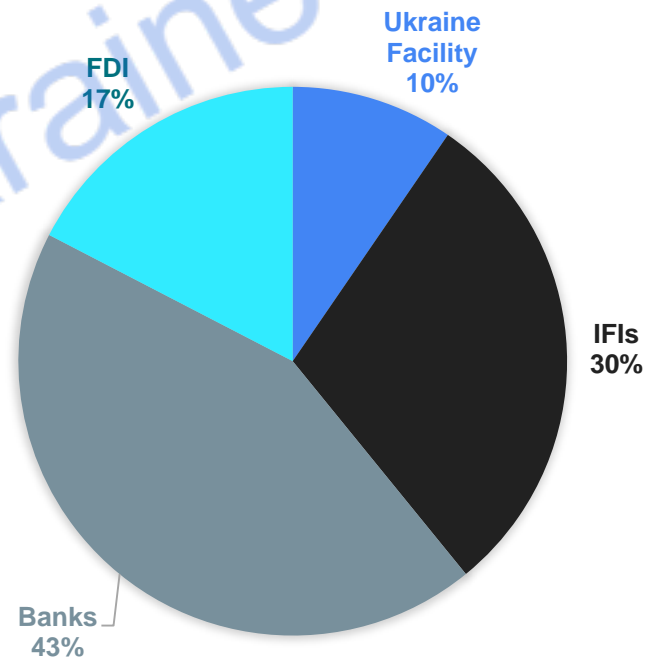
- The volume of green bonds in the EU stands at €580 billion
- The total market for sustainable financial instruments exceeds €2 trillion
- NextGenerationEU: €250 billion for the green transition
- The EU's Common Agricultural Policy (CAP) – total budget for 2021–2027 – €386.6 billion, of which 40–50% is earmarked for funding the 'Green Deal'
- European Investment Bank – over €30 billion for green projects annually



The potential for green finance in Ukraine

- Lack of capital in the financial market – not a limiting factor
- The constraints are high risks and a lack of mechanisms for channelling available capital into the economy

- Ukraine Facility (Ukraine Investment Framework): during 2024–2027 ~ €1.9 billion for initiatives, programmes and projects that meet the ‘Green Criteria’
- IFIs (WB, EIB, EBRD, IFC, KfW, GIZ, USAID): in 2024–2025 – \$6.8 billion in investment in Ukraine, mostly in ‘green’ projects
- FDI in Ukraine for 2024–2025 – \$4.0 billion (total for 2022–2025 – \$8.5 billion)
- Banking system liquidity – \$10–20 billion + stricter requirements for sustainable business practices



\$23 BILLION

Key legislative requirements as of early 2026

- **CSRD (Corporate Sustainability Reporting Directive):** Introduces mandatory disclosure of non-financial indicators in accordance with ESRS standards from 1 January 2026, including emissions across the entire value chain (Scope 3). For Ukrainian farmers, this means the need to verify the carbon footprint of their products as a condition for further cooperation with European processors and retailers.
- **CSDDD (Corporate Sustainability Due Diligence Directive):** Establishes (implementation from 2027, enforcement from 2029) the legal liability of EU companies for breaches of environmental and legal standards by their suppliers in third countries. For Ukrainian farmers, a comprehensive ESG audit is required to retain export contracts with European partners.
- **Farm-to-Fork Strategy Regulations:** These translate the EU's policy objectives of reducing pesticide use by 50% and mineral fertiliser use by 20% into strict import requirements from 2030. Ukrainian producers must adopt precision farming and biological plant protection technologies to remain competitive in the EU's internal market.
- **NBU Regulation on the Assessment of ESG Risks:** Integrates environmental and climate factors into the prudential supervision framework and credit risk calculation mechanisms of Ukrainian banks. By 1 July 2026, all systemically important financial institutions in Ukraine must fully integrate environmental factors into their internal control and risk management systems. Farmers' access to affordable finance will become directly dependent on the existence of a clear decarbonisation plan and compliance with environmental standards.
- **The National Emissions Trading Scheme and alignment with the CBAM:** This involves the creation of a domestic market for greenhouse gas emission allowances, mirroring the European Union Emissions Trading Scheme (EU ETS). In addition to making carbon-intensive resources more expensive, this opens up opportunities for farmers to monetise carbon sequestration by selling carbon credits to industrial enterprises.

NUR Programme: 'Affordable Loans at 5–7–9%'

- In operation since 2020:
- 138,900 loans issued totalling 480.0 billion UAH
- over 60,000 entrepreneurs
- 48 partner banks
- During the war: 104,000 contracts worth UAH 390.4 billion
- From 1 December 2024, environmental and social assessment criteria have been introduced



Ministry
of Finance
of Ukraine

EDF
(Entrepreneurship
Development Fund)



Entrepreneurship Development Fund

Environmental and Social Management
System (ESMS)

(for the economic activities of EDF beneficiary-
enterprises, supported within the framework of projects,
financed into the World Bank and/or other
international financial organizations)

Approved by
Decision of the Board

23 January, 2024

Annex A – Typical economic activities of the beneficiaries of the Enterprise Development Fund (EDF) and potential sectoral environmental and social risks and/or impacts

Potential environmental and/or social risks and/or impacts (),
characteristic of a specific sector, according to the relevant ESS**

ECC 3

- Risk of groundwater contamination due to improper use of fertilizers and other agrochemicals
- Impact of clearing vegetation on land parcels designated as agricultural but not cultivated for some time (restored habitats)
- Environmental impact due to waste generation (including hazardous waste) resulting from agricultural activities
- Impact on the environment as a result of agricultural runoff

The development of green finance for the agricultural sector in Ukraine

- Limited availability of programmes
- Energy efficiency is a priority (90% of programmes)
- No more than 5–6 banks offer loans for other sectors
- Key instruments for supporting green finance – guaranteeing part of the loan amount (risk-sharing), partnership programmes, and interest rate reductions – are the main incentive mechanisms
- Rapid infrastructure development (outpacing the pace of the state and international partners)



Green finance instruments in Ukraine

- **Ukraine Investment Framework (UIF) as part of the Ukraine Facility (EU)**
- **Green Bonds**
- **Green loans and special loan programmes**
- **Grants and non-repayable aid**
- **Other instruments and trends**
 - **Green leasing** – for energy-efficient equipment and electric transport
 - **Green mutual funds** and investment funds
 - **Debt-for-nature / debt-for-climate swaps**
(exchange of part of the debt for green projects)
 - **Carbon credits**
 - **Risk-sharing**
 - **Climate innovation vouchers**



'Green Platform'



<https://greenplatform.madeinukraine.gov.ua>

ЗЕЛЕНА ПЛАТФОРМА About Green Financing Programs FAQ Partners **Ukr** Eng **MADE IN UKRAINE**

86 programs Sort

Own contribution, % 83 **Funding source 85** **Region 86** **Economic sector 86** **Funding amount, UAH 85** **Typ financing type 85** **Target audience 86** **Target purpose 86**

| Program Name | Funding Source | Region | Economic Sector | Funding Amount (UAH) | Financing Type | Target Audience | Target Purpose |
|--|----------------------|--------|-----------------|--|----------------|----------------------------|--|
| UKRSIBBANK BNP PARIBAS GROUP Protor program Sustainable development financing on preferential terms | UKRSIBBANK | | | From 48 million UAH | Loan | Large (corporate) business | Working capital replenishment |
| UKRSIBBANK BNP PARIBAS GROUP Risk a program Risk sharing agreement between UKRSIBBANK JSC and the International Finance Corporation for large companies in Ukraine | UKRSIBBANK | | | From 48 million UAH to 312 million UAH | Loan | Large (corporate) business | Enhancing the energy efficiency of the enterprise/object |
| UKRSIBBANK BNP PARIBAS GROUP Prefer program Preferential lending for energy projects | UKRSIBBANK | | | Up to 1200 million UAH | Loan | Large (corporate) business | Acquisition of equipment/fixed assets |
| UKRSIBBANK BNP PARIBAS GROUP Hassa program Competitiveness enhancement and SME integration into the Eastern Partnership ("SMECI") program under the EBRO program | UKRSIBBANK | | | | Loan | | |
| CRÉDIT AGRICOLE Hassa program Program 5-7-9 direction "Energy Service" | Credit Agricole Bank | | | | | | |
| CRÉDIT AGRICOLE Hassa program Partner program for financing the acquisition of equipment for solar power stations with SOLAR FAMILY | | | | | | | |
| UKRSIBBANK BNP PARIBAS GROUP Hassa program Competitiveness enhancement and SME integration into the Eastern Partnership ("SMECI") program under the EBRO program | UKRSIBBANK | | | | Loan | | |

The 'SUSTAINABLE FINANCING' Programme UKRSIBBANK BNP Paribas

- **defined as sustainable development entities – clients whose core business, accounting for at least 50% of turnover, involves sectors with a positive impact on the environment and/or society;**
- **“Financing aligned with sustainable development goals” – the targeted use of loan funds to invest in areas of the client’s business that align with sustainable development goals, e.g. renewable energy, the circular economy, energy efficiency, green transport, sustainable water management, the social sector (access to healthcare, education, employment, etc.)**
- **The loan amount is individual; the interest rate is the base rate minus 1%**



UKRSIBBANK
BNP PARIBAS GROUP

Program name
Campaign 'Sustainable Financing'
Source of financing
UKRSIBBANK
Type of financing
Loan
+1
Financing amount, UAH
-
Down payment, %
From 30 %
Target audience
Small business
+1
Targeted purpose
**Purchase of equipment/
fixed assets**
+1

Partnership programmes with MFIs (risk sharing)

LET Technology Selector

<https://www.eu4business-ebdcreditline.com.ua/let-technology-selector/>

The 'EU4Business-EBRD Credit Line' for investment in 'green technologies': loan guarantees of up to €300,000, a grant of 10–15%, a term of 2–5 years, and a 30% down payment:

- A standardised mechanism with a **list of eligible technologies** and an online tool for selection, the “**LET Technology Selector**”, which is available on the programme’s official website:
- *After-sales support*

▪ The EBRD’s Energy Security Support Facility (ESSF)

At least 70% of sub-loans are intended to support projects that meet the criteria of the Green Economy Transition (GET) approach:

- Energy efficiency, renewable energy, decentralised generation,
- Climate resilience
- Pollution reduction and resource efficiency

Home LET Selector

Agricultural Equipment

Product categories

- Agricultural Equipment (595)
- Building Equipment (38)
- Construction Vehicles (72)
- Food Equipment (204)
- Heating/Cooling Systems (44)
- Industrial Auxiliary Equipment (92)
- Laboratory Equipment (3)
- Medical Equipment (256)
- Processing Equipment (650)
- Renewable Energy (28)
- Uncategorised (39)
- Vehicles (181)

Search: [Reset](#)

| Equipment | Category | Technical description | Code | |
|--|------------------------|--|-------|---------------------------|
| Fendt - Combine Harvester - 6335C | Agricultural Equipment | Combine width header Power Flow 6.8 Engine: Agco Power 84A WF.937 Engine ... | 10308 | Read more |
| Variant Agro Build - Irrigation System - ShKOM 700 n | Agricultural Equipment | Water consumption 147.01 l/s Water consumption 529.24 m ³ /hour Minimum pressure at the ... | 10305 | Read more |
| Kuhn - Fertilizer Spreader - Axent Series | Agricultural Equipment | Axent 100.1 H EMC Working volume: 9,400 liters Required oil flow: 100 ... | 10302 | Read more |

Climate Innovation Vouchers – Greencubator

- up to €50,000,
- own contribution – 25%

greencubator

Program name
Climate Innovation Vouchers

Funding Source
Greencubator

Type of Funding
Grant

Funding Amount, UAH
Up to 2 million UAH

Personal contribution, %
From 25 %

Target Audience
Medium-sized Business

Intended Use
Innovations and Business Development

GREEN PLATFORM

How does it work?

Complete 5 steps to secure financing for your "green" project!



Identify the problem

Define the problem hindering the development of your climate technology.



Choose a Service Provider

Select a partner who will help solve the problem and enhance your innovation.



Submit an Application

Fill out the application form on our website by clicking the 'Submit application' button.



Pass the Selection Process

After the competition jury selects the winners, we will conclude a grant agreement between you and the EBRD.



Execute the Project

Winners will receive a grant from the EBRD to cover 75% of the project cost after its completion.

Carbon credits

Opportunities...

- Regenerative practices (no-till, cover crops, crop rotation, organic fertilisers) enable carbon sequestration in the soil.
- Kernel is launching a pilot scheme to issue certificates under the Verra standard (2025–2026).
- Carbon Credit Ukraine, AGREENA, Sentinel Earth and others help farmers register land, verify it and sell credits.
- Registration in projects such as Carbon Credit Ukraine or Kernel/Verra.

... and prospects for agribusiness

- Estimated additional profit of 500–2,000 UAH per hectare per year from the sale of carbon credits
- Average income: +10–30% profitability per hectare due to additional revenue.
- Combining this with other grants (for example, for precision farming) could yield even greater returns.
- Potential for international agreements under Article 6 of the Paris Agreement (e.g. ‘solidarity loans’ for Ukraine’s recovery).
- Readiness to enter the mandatory market and integrate with the EU (the Ukraine Facility requires a reduction in emissions).

Green Farming

| Type of activity | Priority | Core practices |
|--------------------|--|---|
| Cultivation | <ul style="list-style-type: none"> <input type="checkbox"/> agrovoltatics; <input type="checkbox"/> precision and drip irrigation; <input type="checkbox"/> hail and rain protection films; <input type="checkbox"/> hydroponics; <input type="checkbox"/> geodesic dome greenhouses; | <ul style="list-style-type: none"> <input type="checkbox"/> nets and films for the garden; <input type="checkbox"/> aeroponics; <input type="checkbox"/> varieties adapted to the region; <input type="checkbox"/> No-Till; <input type="checkbox"/> vertical farms; <input type="checkbox"/> mulching; <input type="checkbox"/> field protection strips; <input type="checkbox"/> ecological drainage system; <input type="checkbox"/> reduced pesticide use; <input type="checkbox"/> disease- and pest-resistant crops |
| Processing | <ul style="list-style-type: none"> <input type="checkbox"/> green ammonia; <input type="checkbox"/> water recycling | <ul style="list-style-type: none"> <input type="checkbox"/> non-hydrofluorocarbon technologies; <input type="checkbox"/> rainwater harvesting; <input type="checkbox"/> eco-friendly packaging; <input type="checkbox"/> off-grid water supply; <input type="checkbox"/> carbon credits; <input type="checkbox"/> biogas; biofuel; electric transport; <input type="checkbox"/> reusable packaging; <input type="checkbox"/> fertilisers |
| Sales | <ul style="list-style-type: none"> <input type="checkbox"/> marketing | <ul style="list-style-type: none"> <input type="checkbox"/> certification; <input type="checkbox"/> export |

A pilot financial product under the PROGRESS project for growers of apples, raspberries, strawberries and walnuts

Terms:

Term – up to 5 years
 Amount – up to €100,000
Grant – up to 20% (€10,000)
 Interest rate – 5; 7; 9% (**4; 5.6; 7.2%**)



Public sector participants in the green finance market

Financing

**АКЦІОНЕРНЕ ТОВАРИСТВО
ФОНД ДЕКАРБОНІЗАЦІЇ УКРАЇНИ**

Guarantees

Infrastructure

Дія Бізнес

Partial Loan Guarantee Fund for Agriculture

<https://pcgf.com.ua/>

A state fund established for micro, small and medium-sized agricultural producers with a land bank of ≤ 500 ha (registration with the State Agrarian Register is mandatory)

Benefits for farmers:

- Lower collateral
- Lower interest rate
- Higher chance of approval
- Priority given to frontline/reclaimed territories

Fund guarantees:

- **Coverage:** up to 80% of the principal debt (depending on the bank/program)
- **Sectors:**
 - Working capital – up to 3 years
 - Investments (equipment, greenhouses, irrigation) – up to 7 years
 - Land purchase – up to 10 years



Ukraine Decarbonisation Fund

- Operational since September 2024
- Has provided loans totalling 0.88 billion UAH for 300 projects

Financial Leasing Conditions



Rate from 4% to 8%

- Fixed for the entire duration of the agreement
- Monthly commission 0.01%
- One-time commission 0.5-1.5%

Term up to 7 years

- Minimum term – 1 year
- Early buyout possible

Amount up to 90 mln UAH

- Minimum amount – 100 thousand UAH
- Advance payment from 15%

Candidates for State Support

- Legal entities (private, communal, and state property)
- OSBB (Condominium Owners' Associations), MZK (Youth Housing Complexes)
- Individual entrepreneurs (Physical Persons-Entrepreneurs)
- Local self-government bodies

Credit Terms



Interest Rate from 5% to 9% per annum

- 2% less if using equipment from a national manufacturer at 70%+
- One-time fee 0.5-2%

Amount up to 90 million UAH

- Minimum amount – 120 thousand UAH
- Own contribution from 15%
- Disbursement to the borrower's account or to the counterparty's account

Term up to 10 years

- Minimum term – 1 year
- Grace period for principal payment up to 12 months
- Early repayment possible

Candidates for State Support

- Legal entities (private, communal, and state ownership)
- Sole traders (physical persons-entrepreneurs)
- Local self-government bodies



- funding measures in the field of energy efficiency, increasing the use of renewable energy sources and alternative fuels, and reducing CO2 emissions

Action. Business. Investment catalogue of impact enterprises

- The catalogue features profiles of micro, small and medium-sized businesses with a social component that are ready for investment

<https://business.diia.gov.ua/initiative/catalog-of-impact-businesses>

Criteria for inclusion in the catalogue:

- MSMEs with a sustainable business model
- Measurable social impact indicators and support for sustainable development goals

Investment Catalogue of Impact Enterprises

| | | | |
|---|--|---|--|
| <p>1</p> <p>Zeleniy Ptakh green enterprises</p> <p>Specializes in waste collection and recycling, manufacturing eco-products and fertilizers.</p> <hr/> <p>Business Impact: +</p> <hr/> <p>Description of Activity: +</p> <hr/> <p>Products & Services: +</p> <hr/> <p> </p> | <p>2</p> <p>rekava green enterprises</p> <p>Ukrainian eco-brand of biodegradable products made from coffee waste - coffee grounds.</p> <hr/> <p>Business Impact: +</p> <hr/> <p>Description of Activity: +</p> <hr/> <p>Products & Services: +</p> <hr/> <p> </p> | <p>3</p> <p>Mycelia Tech green enterprises</p> <p>Manufacturing leather from mycelium that does not harm animals, is durable and used in everyday life.</p> <hr/> <p>Business Impact: +</p> <hr/> <p>Description of Activity: +</p> <hr/> <p>Products & Services: +</p> <hr/> <p> </p> | <p>4</p> <p>FRENDT green enterprises</p> <p>The company is a precision farming center, a known supplier of high-end equipment and a reliable employer.</p> <hr/> <p>Business Impact: +</p> <hr/> <p>Description of Activity: +</p> <hr/> <p>Products & Services: +</p> <hr/> <p> </p> |
|---|--|---|--|

Public Investment Management System



DREAM Зелене відновлення

1. The 'Do No Significant Harm' (DNSH) principle
2. Energy efficiency
3. Use of renewable energy sources
4. Waste management
5. Environmental Impact Assessment (EIA)

- A single project portfolio within the public investment management system: a centralised approach to addressing climate and environmental challenges

| Updated Date | Sector | Estimated Budget | Implemented in |
|--|---|-------------------|----------------|
| 08. 2024 | State Governance – Water Supply, Sanitation, and Waste Management | 5,700,000,000 UAH | August, 8 |
| ↳ Reconstruction, Capital Repair, and Modernization of Engineering Infrastructure Facilities for the Dnipro-Donbas Canal Management | | | |
| Project Goal | | | |
| Other | | | |
| Functional Classification of Budgetary Expenditures and Lending | | | 0.742719 |
| 0540 – Other Activities in the Sphere of Environmental Protection | | | Score |
| Target Government Priority | | | |
| 011004 – Engineering-Transportation Infrastructure necessary for the realization of investment projects with significant investments or propublic-private partnership proje... | | | |
| Geography | Executor | | |
| Kamianske | DNIPRO-DONBAS CANAL MANAGEMENT | | |
| Chief Disbursing Officer | Initiator | | |
| Ministry of Environmental Protection and Natural Resources of Ukraine | STATE AGENCY OF WATER RESOURCES OF UKRAINE | | |

How farmers can assess their eligibility for green finance

- Focus on technologies and your own practices: energy efficiency, reducing water consumption, reviewing fertiliser and nitrate use
- Enhancing the green impact: reducing consumption of fossil fuels and water, and soil depletion
- Opportunities to use organic components and technologies
- Monitor existing green finance platforms
- Raising awareness, seeking information and training materials on climate-focused agribusiness, ESG reporting and green financing for farmers

What farmers need to do

1. You must register with the State Agrarian Register (DAR) at dar.gov.ua – without this, grants are not available.
2. Keep an eye on current projects on the ‘Green Platform’ – **<https://greenplatform.madeinukraine.gov.ua/catalog>**
3. Seek advice from a bank or other lender (grant provider)
4. Keep a close eye on news regarding financial programmes for farmers on the websites
 - <https://me.gov.ua>;
 - <https://agroportal.ua>;
 - <https://kurkul.com>
 - etc.

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**Thank you for your
attention!**

NULEES of Ukraine