



Executive summary

BIO is stepping up its support for Ukraine's private sector, based on Belgium's commitment to help the country during and after the war. Ukraine qualifies for BIO support as a lower-middle-income country affected by conflict. Despite the war, its private sector remains active and in need of financing. BIO has an investment mandate from its shareholder to invest in Ukraine under its 2024–2028 strategy, using flexible instruments to invest in this high-risk environment. Initial investments—like BIO's participation in the Rebuild Ukraine Fund and an investment in Bank Lviv—show strong demand. BIO also recently committed to two additional investments in Ukraine in energy provision, to fight the important challenge in terms of access to energy in the country. In addition to these 4 projects, BIO reviewed many others, confirming the need for its involvement and its ability to identify sound opportunities. To scale up, in June 2026, BIO's board approved an additional €4.8M allocation from the organization's €8.97M profit recorded in 2025, amounting BIO's investment mandate in Ukraine to €21.8M. In addition, thanks to the strategic deployment of guarantee programmes, BIO's possible net exposure in Ukraine under the current mandate is even higher. However, BIO is expected to require even further resources to fully realize its potential in Ukraine. Interest from Belgian companies further support this need. While BIO cannot invest directly in Belgian firms, it can support them through their Ukrainian operations, strengthening ties between both countries and maximizing impact.

1. Introduction and Purpose

This technical note outlines BIO's current engagement, operational approach and strategic rationale for investing in Ukraine. It provides an overview of the framework guiding BIO's activities, presents ongoing and planned investments, and identifies the conditions required to deepen BIO's involvement in line with Belgium's broader support to Ukraine.

2. Framework

2.1 Belgian Commitment to Support Ukraine

BIO's geographic mandate was expanded to include Ukraine in the Investment Strategy 2024–2028, reflecting Belgium's political decision to support the country during and after the Russian aggression. Belgium's support architecture includes amongst other the **BERelief Ukraine Programme** (€150 M), led by Enabel, assisting several ministries in Kyiv and Chernihiv as well as the **Credendo Export Credit Guarantee Facility** (€100 M) supporting Belgian companies participating in reconstruction.

"Ukraine is standing firm in the face of Russia's brutal aggression. It deserves more than our admiration. It deserves our lasting commitment. Supporting Ukraine today means refusing to let a European country be crushed by violence. It means affirming that only a just peace, based on law and sovereignty, is acceptable." - Maxime Prévot, Vice Prime Minister and Minister of Foreign Affairs, European Affairs and International Cooperation



BIO joined the Ukraine Recovery conference in Rome in July 2025, making a first commitment to invest in the country

While these instruments strengthen institutions and reconstruction efforts, they do not directly address the acute financing needs of Ukrainian private enterprises. Despite the ongoing war, the country retains a vibrant private sector that is severely underserved due to market instability and risk aversion among traditional financiers. Supporting local Ukrainian SMEs during the conflict is crucial, both to provide a sense of normalcy for the population and to sustain essential tax revenues for the government. BIO's intervention helps fill this gap by targeting private-sector resilience and long-term economic recovery. In addition, Ukraine remains eligible for BIO financing as both a Lower Middle-Income Country (LMIC) and a Fragile and Conflict-Affected State (FCAS).

BIO's risk-tolerant capital and mandate allow it to intervene where other Belgian external affairs instruments cannot—particularly in SMEs, private equity, infrastructure, and financial institutions. Some sectors, such as energy infrastructure, present even greater additionality due to the destruction of over 50% of national capacity.

2.2 Alignment with DFIs and MDBs

BIO's approach in Ukraine is structured around close collaboration with European DFIs and MDBs, particularly the European

Bank for Reconstruction and Development (EBRD). This cooperation is central to operating effectively in a conflict-affected environment by enabling:

- shared due diligence and intelligence
- coordinated risk assessments,
- co-financing to increase scale and reduce individual institution exposure,
- identification of high-impact private sector projects.

A key mechanism is BIO's participation in the EBRD–G7–DFI–EDFI Ukraine Investment Platform, backed by 19 signatories. This platform facilitates information exchange, risk-sharing, and strategic coordination on private-sector reconstruction.

The EBRD—Ukraine's largest institutional investor—acts as Lead Institution, ensuring coherence across DFI interventions. This platform is essential for BIO, increasing its effectiveness and enabling the institution to undertake investments aligned with best practices and international standards.

3. BIO's Investment Strategy and Funding in Ukraine

BIO committed €21.8 M to Ukraine:

- €9 M – for higher-risk, essential in a conflict setting, provided by the Belgian State as a new mandate for BIO.
- €12.8 M – allocated from BIO retained earnings, for investments supported by guarantees. For these investments, BIO counts 'net exposure', as investment, excluding the part covered by guarantee programmes as it allows to open new financing opportunities for the country.

The financing needs in Ukraine are significant, and BIO was able to identify many projects that fit its investment mandate. This confirms that BIO's instruments are relevant and that support for the Ukrainian private sector is substantial.

4. Current and Prospective Investments in Ukraine

REBUF - Rebuild Ukraine Fund - Signed (USD 6 M (= €5.23M, January 2026)

Focus: REBUF targets small and medium-sized enterprises (SMEs) and larger firms across different sectors who play a critical role in maintaining jobs, ensuring the supply of essential goods and services, and keeping the economy functioning despite the conflict. The fund aims to grow to USD 250 M. The investment of BIO enables REBUF to start financing companies that are adapting, scaling, and continuing operations under extraordinary pressure, reinforcing the private sector's essential role in Ukraine's economic resilience and long-term recovery. This investment is expected to benefit from a guarantee programme, reducing the net exposure for BIO.

Partners: International Finance Corporation (IFC), EBRD, Norfund, Swedfund and Dragon Capital.

Relevance to BIO SITs: SME-Finance, Job Creation (SIT 1, SIT 2), FCAS/LDCs (SIT 4)



Bank Lviv – Signed (€3M, March 2026)

Focus: Bank Lviv is a small regional bank founded in 1991, specialising in retail and SME lending across five Western Ukrainian regions (Lviv, Ivano-Frankivsk, Ternopil, Volyn and Rivne). Its SME clients mainly operate in trade, processing industries and agriculture. The bank is supported by numerous DFIs and impact investors, providing equity, funding and portfolio guarantees. This investment benefits from **EDFI MSME Platform**, a guarantee managed by EDFI Management Company and funded by the European Union under the EFSD+ programme, as part of the EU's Global Gateway Strategy¹. The Guarantee covers 50% of the investment resulting in a net exposure for BIO of €1.5M.

Relevance to BIO SITs: Jobs (SIT 1), SME-Finance (SIT 2), FCAS/LDCs (SIT 4), Gender (SIT 6)

NOTUS – Signed at the URC 2026 in Gdansk (€7M, June 2026)

Focus: a 120 MW wind farm in the Southern region. expected to generate approximately 332 GWh of clean electricity annually. with the planned commercial operation date set for Q4 2028. BIO commits to investing 7 M in a junior secured loan. The key relevance for BIO in potentially supporting this project relates to strengthening critical energy infrastructure, climate action, and national energy resilience.

Relevance to SITs: FCAS/LDCs (SIT-4) and climate finance (SIT-7)



A Biogas energy project - Committed (€10M, June 2026)

Focus: The proposed project is a biogas/ biomethane facility using cattle manure (55%), corn silage (27%), and rye silage (15%). Will replace 3.6M m³ of fossil gas and produce ~50 GWh/year of low-carbon biogas. In Ukraine, where over 60% of energy capacity has been destroyed by the war, this project will complement urgent energy needs. Plans are also to replicate the model if successful. This investment is expected to benefit from a guarantee programme, reducing the net exposure for BIO.

Relevance to BIO SITs: FCAS/LDCs (SIT-4), gender equality (SIT-6) and climate finance (SIT-7)

5. Way forward

BIO's engagement in Ukraine is gaining momentum, with the first full investment completed in January 2026. These early transactions serve as pilot investments, allowing BIO to test the market, understand operational realities, and refine its approach in a high-risk environment. The promising deal flow—already reflected in over 26 projects reviewed—confirms the relevance of BIO's presence and the strong demand from Ukraine's private sector.

At the same time, interest from Belgian companies is growing, with several firms reaching out to explore opportunities. This signals strong potential for deeper Belgian-Ukrainian private-sector cooperation and reinforces BIO's role as a catalyst for partnerships that benefit both countries.

To build on this momentum and scale up its impact, BIO would benefit from additional investment resources. If the Belgian Government were to unlock larger financing for Ukraine, BIO stands ready to expand its activities while continuing to safeguard its strategic focus on LDCs and Africa—ensuring that increased engagement in Ukraine complements, rather than dilutes, its core priorities.

Project	Amount & date	Focus	Partners	Relevance to BIO SITs
REBUF - Rebuild Ukraine Fund	USD 6 M (January 2026)	Targets SMEs and larger firms maintaining jobs and essential services during the conflict; BIO's investment enables initial financing; overall fund ambition USD 250 million	IFC, EBRD, Norfund, Swedfund, Dragon Capital	SME Finance, Job Creation (SIT-1, SIT-2), FCAS/LDCs (SIT-4)
Bank Lviv	EUR 3 M (March 2026)	Regional bank specializing in retail and SME lending across five Western Ukrainian regions; SME clients in trade, processing, agriculture	—	Jobs (SIT-1), SME Finance (SIT-2), FCAS/LDCs (SIT-4), Gender (SIT-6)
NOTUS	EUR 7 M (June 2026)	Development of a wind farm expected to generate 332 GWh of clean electricity	IFC, EBRD, Horizon Capital, Swedfund, Green Growth Fund	FCAS/LDCs (SIT-4) and climate finance (SIT-7)

The EFSD+ EU guarantees are one of the instruments created under the framework of the Multiannual Financial Framework 2021-2027 to support under the form of grants, guarantees and other financial instruments, the policy priorities of the EU including towards developing countries, Global Gateway and the NEAR region. Pillar-assessed DFIs are cooperating through EDFI MC to access these guarantee programmes in an effective way. In parallel, some DFIs have also direct bid to these programmes (but not BIO).