RECOVERY THRU INNOVATIVE STARTUP EMPOWERMENT - RISE

World Vision Ukraine Crisis Response – Vision Fund Ukraine

Concept Note

Background

As we venture into the third year of the war in Ukraine, the situation continues to escalate, particularly in the eastern and southern regions of the country. Daily life is punctuated by shelling and targeted infrastructure attacks, leading to significant displacement, disruption of livelihoods, and intensification of existing socio-economic vulnerabilities.

Small and medium-sized enterprises (SMEs) were once the backbone of the Ukrainian economy, constituting 99% of all registered businesses, employing nearly 82% of the Ukrainian workforce (~ 7.4 million people), and generating 65% of total sales in goods, works, and services (CSIS, August 2023).

However, the war has led to a significant loss of livelihoods and businesses, with half of Ukrainian businesses now completely shut down, and the remaining operating below capacity (UN 2022, and UN 2024).

The destruction and damage of production assets, the breakdown in supply chains and distribution channels has led to a high demand for working capital and project financing in this sector which regular banks to not go down to the level needed in this sector. However, even before the conflict, SMEs were mostly financially excluded and could not easily access liquidity to grow their businesses.

SMEs nonetheless remain the core of the economy and a key factor in its reconstruction. It is particularly crucial to recognize the importance of (re)skilling and fostering innovative startups. These initiatives serve as a beacon of hope and resilience, enabling life and livelihoods to persist amidst the harsh and unstable landscape.

World Vision Ukraine (WV UCR) and Vision Fund Ukraine (VFU), a non-bank financial institution providing credit to support the recovery of SMEs, are spearheading nexus programming for early recovery and innovative startup empowerment. This initiative aims to bolster the revival of small and medium enterprises (SMEs), demonstrating the indomitable spirit of resilience and innovation even in the face of adversity.

Proposed Action

The proposed project aims at strengthening the resilience and recovering the livelihoods of war affected children, women, and men in Ukraine. It will particularly focus on helping rising entrepreneurs and established SMEs to strengthen their businesses. This proposed project falls within WV UCR Strategy Result Framework 2.0 (Strategic Objectives 3.2, 3.3), as well as Vision Fund’s strategic priorities in Ukraine, and is viewed as a key initiative that serves war-affected communities by fostering innovative startups for self-
employment through **Business Facilitation and Entrepreneurship Promotion (BFEP)** and **access to microfinance services**.

RISE is a comprehensive program designed to empower entrepreneurs on their journey to successful innovative business startups. The proposed project will particularly focus on green construction, energy efficiency, and the digitization of climate-smart agriculture, among others. The proposed project will be built around 3 pillars:

1. **Recovery**: WV UCR and VFU facilitate business recovery by equipping young entrepreneurs and existing SMEs interested in scaling/adapting their businesses with the necessary skills and knowledge to navigate the business landscape over a period of up to four months, depending on the area of entrepreneurial innovation.

2. **Innovation**: WV UCR and VFU’s structured pitch-deck guidance (consisting of a minimum of 8 modules and 30 topics) assists entrepreneurs in effectively communicating their innovative ideas to potential investors at the end of the training. This includes preparing target individuals for the labor market of tomorrow, with a focus on green construction, energy efficiency, and the digitization of climate-smart agriculture, among others. The RISE program will utilize eight industry-standard training modules to enhance the entrepreneurial skills of participants, leading to the creation of innovative, pitch-ready products or pitch decks.

3. **Business Empowerment**: UCR and other agencies will provide matching funds for innovative, pitch-ready products, while VFU will provide access to financial services (i.e., working capital loan), empowering businesses with the resources they need to grow and succeed.
4. WVI-UCR will aim to invest $1000 - $1500 per individual, including a $250/month scholarship stipend for up to 4 months through a conditional grant. Additionally, a minimum of $500 will be provided as a matching fund for entrepreneurs with innovative pitch decks. VFU will provide working capital loans to businesses of up to $30,000 with suitable interest rates. In order to ensure that different SMEs at different stages of maturity have access to adequate finances, WV and VF will seek to provide a diverse mix of grants and loans for startups and existing SMBs.

The proposed project will allow not only to rebuild businesses but also foster a better future for Ukraine, promoting long-term resilience, and economic inclusion.

For more information, please contact:
Astghik Movsisyan, Programme Development and Quality Director,
email: Astghik_Movsisyan@wvi.org