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**ACCESS TO FINANCE AS AN INCENTIVE  
TO SUPPORT SMALL AND MEDIUM-SIZED BUSINESSES  
AND ECONOMIC RECOVERY**

After February 24, 2022, economic activity within Ukraine's domestic market experienced a significant downturn. Ongoing conflicts and full-scale aggression led to the loss of markets for goods and services, a decline in domestic demand due to a large number of displaced people, the departure of skilled professionals, disruption of supply chains, and the destruction of production and storage facilities and equipment.

According to analyses from the Center for Economic Recovery, before the war, micro, small, and medium-sized enterprises (MSMEs) comprised over 99% of the country's registered businesses and were the primary drivers of economic development and innovation [3]. Despite the challenges posed by the war, port blockades, and "energy terror", most MSMEs weathered the storm and continue their operations. Many have pivoted to producing dual-use goods or manufacturing equipment for the military. Amidst the war, the private sector not only contributes to the budget but also enhances the country's defense capabilities. Ukrainian businesses have also stepped up their social responsibility by actively engaging in volunteer and humanitarian efforts.

According to a study by "Advanter", involving over 500 managers and owners of small and medium-sized enterprises, as of the end of 2023, 9.6% were still suspended or nearly non-operational [2]. Concerning business activity (Ukrainian Business Index), in November 2023, this index stood at 36.3 points out of 100 possible.

Regarding entrepreneurs' expectations for their business results: 13.8% reported increased volumes compared to the plan, 25.5% operated within planned indicators, while 51.2% concluded the year with financial performance below expectations.

Given the emerging trends and the uncertainty contributing to economic turbulence, grants for small and medium-sized businesses are crucial today. Entrepreneurs play a vital role in maintaining macroeconomic stability, paying taxes to various levels of government, and forming the middle class, a powerful factor in protecting democracy, increasing the well-being of the population, and facilitating the rapid recovery of life, especially in liberated

communities and regions. During the war, grant funds can save hundreds of Ukrainian businesses, becoming true drivers of successful recovery and economic growth. This includes relocated businesses that continue to operate in new locations, integrating into new communities, restoring and building new partnerships and logistics.

It's important to note that access to finances is one of the key components of the innovative entrepreneurship ecosystem, which is extremely necessary in current circumstances [4]. Therefore, MSME support programs provide entrepreneurs with the necessary resources not only for recovery but also for development, encouraging innovation implementation and consequently enhancing competitiveness in external markets and opportunities for increasing export potential.

Grant programs help businesses reduce financial burdens, providing the opportunity to allocate resources for development, such as marketing, improving production processes, and employee training. These steps strengthen the potential and resilience of MSMEs even in times of war.

The effectiveness of such support can be seen in one of the largest state support programs, "eRobota". According to the Ministry of Economy, as of the beginning of 2024, over 11,000 Ukrainians received grants from the state to start or develop businesses. Of these, over 2,000 citizens directed funds to start their own businesses, while others used them for business scaling, developing, and launching new directions [1].

The number of applications for support programs and their quality constantly increases. As the number of granted funds grows: in 2023, three times more grants were provided than in 2022.

The most popular sectors among funded activities include manufacturing, trade, the hospitality sector, and public catering (HORECA). Overall, during the program's operation, the state provided over 6.5 billion UAH in grants for business development, and an additional 9 billion UAH is planned for 2024.

In addition to substantial support from the state, grant funds from international organizations and funds, as well as from the governments of partner countries of Ukraine, are available for the development of Ukrainian businesses today.

Micro, small, and medium-sized businesses are one of the key driving forces for Ukraine's economic recovery. Macrofinancial assistance from partners is vital for us today as it allows balancing the budget. However, it is the support of the private sector by partners that will enable the state to grow economically. The successful sustainable development of Ukrainian businesses, increasing their export opportunities and competitiveness in European markets, will serve as a reliable foundation for the reconstruction, recovery, and further economic development of Ukraine.

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