

STRATEGIC RESTRUCTURING OF UKRAINIAN ENTERPRISES: INNOVATION, EU STANDARDS AND VENTURE FINANCING AS KEY DRIVERS FOR EUROPEAN MARKET INTEGRATION

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Abstract. The orientation of Ukrainian enterprises towards the European Union market is emerging as a pivotal driver of economic renewal and integrative development of the state. The present article examines the trajectory of strategic restructuring of Ukrainian enterprises, with a particular emphasis on innovation management and the attraction of venture capital, as mechanisms for ensuring effective access to the EU market. The relevance of the research is determined by the provision of duty-free access under the Association Agreement and the Deep and Comprehensive Free Trade Area (DCFTA). This provides enterprises with incentives to modernise production processes and enhance competitiveness. However, it also requires compliance with stringent quality benchmarks and regulatory frameworks. The objective of this study is to provide empirical evidence to support the notion of strategic restructuring of Ukrainian enterprises within the context of the proposed Smart Value Europe strategy. This strategy calls for a transition from a raw-material export model to one grounded in innovation, high technology, and value-added production, aligned with EU market requirements. The methodological framework utilised is founded upon strategic analysis, with the objective of identifying priority modernisation pathways for Ukrainian enterprises in the context of European market entry. A comparative assessment of EU market requirements enabled the correlation of European quality and certification standards with the current capacities of domestic producers. The institutional approach was employed to assess the regulatory environment, with a particular focus on the implications of the Association Agreement and the DCFTA regime for business process transformation. Furthermore, elements of case study analysis were applied, allowing the tracing of practical instances of venture investment attraction and export infrastructure development. The application of these methodological instruments facilitated the formation of a systemic perspective on the strategic orientations of Ukrainian enterprises in the process of integration into the EU internal market. The findings indicate that investments in modernisation, international product certification, export infrastructure development, and the utilisation of support mechanisms offered by European institutions are critical factors for successful integration. The study's practical significance lies in formulating recommendations to enhance the innovative capacity of Ukrainian enterprises, broaden export channels and stimulate employment. Implementing the proposed strategic approaches is expected to reinforce enterprises' international competitiveness and foster sustainable development within the broader context of European integration.

Keywords: strategic transformation, innovation management, venture capital, EU market, export potential, modernisation, competitiveness.

JEL Classification: F15, O31, L52

1. Introduction

European integration processes are creating new conditions for entrepreneurial development and stimulating innovative activity. They are also providing Ukrainian enterprises with opportunities to access international markets. The Association Agreement

with the EU and the implementation of the Deep and Comprehensive Free Trade Area (DCFTA) have given Ukrainian businesses access to one of the world's largest economic spaces. Nevertheless, integration processes continue to be impeded by a number of obstacles, including non-compliance with technical

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regulations, limited access to venture financing and a low proportion of high-value products (European Commission, 2025; Spulbar & Birau, 2021).

The central research problem is identifying effective strategic solutions that integrate innovation management with venture financing, ensuring the sustainable entry of Ukrainian enterprises into the EU market. The study's relevance is emphasised by the need to modernise production capacities, implement environmental and social standards, and improve long-term competitiveness in the face of global economic volatility (Mazzucato, 2018).

The study aims to support the idea of restructuring Ukrainian enterprises in line with the Smart Value Europe strategy. This strategy involves moving away from exporting raw materials and towards producing innovative, high-tech, value-added products that meet EU market requirements. The principal objectives are as follows: firstly, to analyse the current state and structure of Ukraine's exports to the EU and to identify key imbalances; secondly, to examine institutional opportunities and challenges related to the functioning of the DCFTA and the gradual phasing out of temporary preferences; thirdly, to evaluate the role of venture capital, grants, and loan programmes from international partners in promoting the green innovation agenda (EU Green Deal); and fourthly, to develop recommendations for small and medium-sized enterprises (SMEs) regarding integration into production and innovation clusters, fostering horizontal co-operation, and establishing a new export model.

The scientific novelty of the study lies in the formulation of an integrated Smart Value Europe strategy, which combines innovation management, venture financing, and environmental and digital transformations within the framework of Ukraine's export policy. In contrast to extant approaches, the proposed model emphasises the restructuring of exports towards high-tech and processing segments, integrates venture and blended financial instruments for SME development, offers mechanisms for the formation of clusters and R&D ecosystems that enable the creation of internal value chains, and prioritises the tripartite interaction among business, government, and state institutions.

2. Literature Review

Over the past decade, the strategic restructuring of enterprises targeting the European market has become the subject of intensive scholarly research. Porter's (1990) seminal work emphasises the importance of competitive advantage and resource management, while Barney (1991) highlights the role of internal resources in achieving long-term competitiveness.

In the European context, reports by the OECD (2025) and the European Commission (2023) demonstrate the critical role of innovation policies and venture capital financing in fostering startup development and business scaling. Initiatives such as Scaleup Europe and the New European Innovation Agenda have been developed with the aim of eliminating regulatory barriers and expanding financing opportunities for technology-based startups.

However, Ukrainian enterprises encounter numerous obstacles when attempting to access the European market, including the absence of requisite certifications and limited venture capital availability (Hrytsenko & Koval, 2022; Ivanov & Shevchenko, 2021). In 2022, a mere 14-18% of Ukrainian exporters held EU-recognised certifications, a figure which significantly constrained market entry potential.

As demonstrated in international studies (Gompers & Lerner, 2004; Niewiadomski, 2021; Lambovska, 2022), venture capital financing has been shown to have a substantial impact on the acceleration of innovative export growth. In Central and Eastern European countries such as Poland and Romania, targeted venture capital support programmes have yielded average export growth rates of 12-15% over a five-year period.

Notwithstanding these insights, a survey of the extant literature reveals notable gaps, including the absence of integrative models that combine innovation management, venture capital financing, and sustainability requirements tailored to the EU market. Empirical models for evaluating the effectiveness of strategic decisions regarding EU market entry remain limited for Ukrainian SMEs. The present study aims to address these gaps by integrating contemporary theoretical frameworks with statistical analysis of Ukrainian exports and proposing the adaptive Smart Value Europe model of strategic restructuring. This model synthesises the resource-based view, sustainable innovation, and venture-supported growth concepts, thus offering both theoretical contributions to the discourse on Ukraine's strategic integration into the European economy and practical guidance for enhancing competitiveness in international markets.

3. Results and discussion

3.1. Opportunities and Challenges of the European Market

New opportunities for Ukrainian enterprises to access the EU market represent a critical strategic direction for advancing European integration. Following the ratification of the Association Agreement between Ukraine and the European Union, Ukrainian entrepreneurs have been granted the opportunity to benefit from the facilitation of border crossing

procedures without the imposition of customs duties, in addition to the streamlining of market access mechanisms. Moreover, Ukrainian enterprises were integrated into European supply chains. Of particular significance for the development of Ukraine-EU trade relations is the establishment of the Deep and Comprehensive Free Trade Area (DCFTA), which constitutes the most extensive and comprehensive free trade agreement the EU has ever concluded with a third country.

Concurrently, the responsibilities borne by Ukrainian businesses have increased substantially. Admission to one of the world's most substantial commercial domains necessitates strict compliance with elevated standards of quality, technical regulations, and regulatory compliance. Consequently, the gradual integration of Ukraine into the European Union presents both promising opportunities and considerable challenges for Ukrainian enterprises as they seek to align their business operations with EU standards. This necessitates an examination of both the primary opportunities offered by the European market and the challenges associated with regulatory, technical, and quality requirements.

The Association Agreement, which was signed in 2014 and came into effect in 2017, granted Ukrainian companies preferential access to the EU market, including the elimination of the majority of duties and quotas on Ukrainian goods. These measures incentivised export growth and facilitated the development of new business sectors. However, the terms of market access remain subject to compliance with European technical, safety, and quality standards, as set out in the Association Agreement and the DCFTA.

According to data from Eurostat, in 2023 the European Union remained Ukraine's foremost trading partner, accounting for over 59% of the country's total exports. Exports to the EU reached 24.5 billion USD, demonstrating a stable upward trend since 2016 despite martial law and logistical constraints. The export sectors demonstrating the most rapid growth are agriculture, metallurgy, and food products.

The transition of Ukraine from a raw-materials model of trade to one focused on the production of

high value-added goods has been enabled by free trade conditions. The EU market, the world's largest, provides substantial economic incentives through high demand, stable infrastructure, financing opportunities, and access to advanced technologies. According to the Ministry of Economy of Ukraine, agricultural exports to the EU in 2024 exceeded 13 billion EUR, representing an 11% increase compared to 2023. The key export products of the country under discussion are listed in Table 1, and include grains, vegetable oils, meat products, and various food ingredients.

There has been a positive trend of gradual growth in exports of processed food, textiles, furniture and IT services from Ukraine. This growth can be attributed to several key factors, including simplified customs procedures, integration into EU supply chains, increased demand in the EU market and support from the EU in the form of technical assistance, grants and financing.

Despite these positive developments, there are still significant structural challenges. A substantial proportion of Ukrainian exports still consists of raw materials. In 2024, for example, agricultural raw materials and metals accounted for around 65% of the country's total exports. This structure makes the economy more vulnerable to external shocks, such as price fluctuations, quotas and logistical constraints, and limits the domestic creation of added value.

Although access to the EU market has been substantially liberalised, it remains highly regulated with strict standards. According to EU legislation, imported products must comply with requirements relating to product safety, technical regulations, sanitary and phytosanitary standards, environmental sustainability, production ethics and corporate responsibility. Particular attention should be paid to product certification, especially CE marking, which indicates compliance with EU standards. Many Ukrainian enterprises struggle with certification due to limited technical capacity, insufficient expertise or the procedural complexity involved, which creates a significant barrier to market entry despite access being formally open.

Table 1

Structure of Ukraine's exports to the EU in 2024

Product category	Export volume (billion EUR)	Share of global exports to the EU (%)
Agro-industrial products	13,0	53%
Metallurgical products	4,2	17%
Processed products	2,3	9%
Textiles, furniture, wood	1,8	7%
IT services	1,5	6%
Other	1,0	4%
Total	23,8	100%

Source: Eurostat (2025) & Cabinet of Ministers of Ukraine (2025)

Additionally, the EU actively implements quotas and tariff restrictions on certain product categories, particularly agricultural produce. For instance, Ukraine's sugar export quota of 262,600 tonnes was exhausted by June 2024, resulting in a ban on further sugar exports to the EU for the remainder of the year. Similar restrictions were applied to corn, poultry and other meat products. A gradual reduction of the EU's temporary trade preferences is expected by the end of 2025, further emphasising the importance of reorienting exports towards high-value products.

In response, the Ukrainian government has announced programmes to support the agro-industrial complex, the mechanical engineering sector and the food industry. While Ukrainian enterprises have significant export potential in the EU market, this can only be realised through adaptation to European standards, product certification, targeted investment in modernisation and a strategic shift towards high-value production.

3.2. Adaptation of Ukrainian Enterprises to EU Standards

In order to enter the European market with its products, a Ukrainian enterprise must undergo comprehensive adaptation. This includes everything from attracting funds to modernise production facilities in order to meet EU standards, to implementing the latest innovative solutions.

Firstly, an analysis will be conducted of the measures that have been implemented and are currently in effect for the purpose of modernising production. Consequently, following the implementation of the modernisation programme, it is evident that the aggregate export of Ukrainian enterprises in 2024 exhibited a 13.4% increase, reaching 41.04 billion USD (in comparison, exports in 2023 amounted to 36.1 billion USD). In physical terms, volumes increased from 100.3 million tons to 129.2 million tons, respectively (Diia.Business, 2024).

Among the main factors that contributed to the increase in Ukrainian exports to the EU, despite the full-scale war, the following can be highlighted:

- Resumption of work of seaports–exports by sea increased from 54.8 million tons (2023) to 87.2 million tons (2024) (Diia.Business, 2024);
- development of the processing industry, especially agro-industrial products—for example, sunflower oil (+5 billion USD), meal (+1 billion), poultry meat (945 million), sugar (408 million), soybean oil (311 million) (Fin.Org.UA).

The modernisation of Ukrainian enterprises can be considered a separate step in Ukraine's current export strategy, which is expected to be fully implemented by 2030. The strategy's primary objectives are to boost exports by 50%, reduce raw material exports to 59%, and enhance the importance of processing and added value (European Business Association, 2024). Therefore, the entire strategic line generally focuses on the "Made in Ukraine" policy, which emphasises a high level of processing and technological renewal (Ukrainian Grain Association, 2024).

With regard to EU certification and standardisation, it is worth noting that many Ukrainian enterprises have already adopted EU standards, enabling them to compete on an equal footing with European goods. The main EU standards are: CE (mentioned above), RoHS and REACH (see Table 2 for more details).

Table 3 shows the main benefits of implementing these standards.

Some Ukrainian enterprises have already successfully implemented innovative solutions and automation technologies. This has enabled them to focus on developing products with high added value. By systematically modernising, obtaining certification and aligning themselves with European standards, these companies have managed to access new markets, particularly within the EU, and enhance their overall competitiveness. As illustrated in Table 4, there is a presentation of cases of enterprises that have achieved significant progress in generating high added value and advancing research and development (R&D) activities.

It is imperative to emphasise that substantial institutional and financial support functions as a pivotal facilitator and guide in the process of

Table 2

Main standards and advantages of European certification

Standard	Description	Purpose
CE (Conformité Européenne)	Mandatory labeling for many categories of goods (electronics, toys, building materials, etc.).	Confirms that the product complies with EU safety and environmental standards.
RoHS (Restriction of Hazardous Substances)	Limits the use of hazardous substances (lead, mercury, cadmium) in electrical and electronic devices.	Protects human health and the environment from hazardous materials.
REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals)	Regulation governing the safety of chemicals.	Protects human health and the environment from potential risks associated with chemicals in products.

Source: developed by the authors

Table 3

Benefits of EU standards

Benefits	For business	For consumers
Market Access	Facilitates entry into the EU market encompassing over 500 million consumers.	Ensures compliance of products with advanced standards of quality and safety.
Trust and risk management	Strengthens competitiveness, fosters stakeholder confidence, and mitigates regulatory and reputational risks.	Provides consumers with transparent information and guarantees conformity of products with environmental standards.

Source: Techconsult Ukraine (n.d.)

Table 4

Enterprises with high added value and R&D orientation

Enterprise	Industry	Innovation / R&D	Markets / Exports
Delfast	Electric bicycles	R&D in collaboration with KPI; climate grants	USA, EU, Canada, Mexico
Agrofirma Pole	Organic products	CO ₂ extraction, hydrothermal processing	EU market; organic certification
Ukoliya	Organic oils	Multi-level organic certification	EU, Australia, Canada, USA, China
Centravis	Seamless pipes	High-precision manufacturing, aerospace quality	EU, SpaceX, NASA, ITER
Astarta (AgriChain)	Agriculture + digital solutions	AgriChain platform, satellite data	Ukraine, other agricultural companies
Shchedra Nyva	Canned products	B2B adaptation, branding, trade fairs	France, UK, Israel
Komo-Export	Cheese	Packaging, localisation, trade fairs	Norway, UK, Israel
LogicPower	Energy solutions	Modernisation, certification, +138% production	Poland, Baltic States
Ecofactor	EV charging, E-mobility	Certification, branding, EU/UK market	EU, United Kingdom
N-iX	IT services	AI, RPA, analytics, cloud solutions	Global (including EU)

Source: developed by the authors

adapting Ukrainian enterprises to the EU market and modernising them in accordance with European standards. Consequently, the effective alignment of Ukrainian enterprises with EU requirements is contingent on access to financing, grants, and support instruments at both national and international levels. The following discussion will highlight leading financial instruments that have already demonstrated a positive impact on the adaptation process:

Firstly, the Ukraine Facility can be defined as a large-scale investment platform designed to support the restoration, modernisation, and reform of Ukraine. For the period 2024-2027, the EU has allocated a total budget of 50 billion EUR, comprising 38.3 billion EUR in budgetary support, 6.97 billion EUR as an investment component, and 4.76 billion EUR for technical and administrative assistance (European Commission, n.d.).

Secondly, the Ukraine Investment Framework (UIF) provides financial instruments amounting to €9.3 billion, including 7.8 billion EUR in guarantees and 1.5 billion EUR in blended finance. The EU has mobilised considerable public and private investment through this framework with a view to restoring infrastructure, supporting business, and reinforcing the energy sector. An illustrative example is the first UIF agreement, which was a 100 million EUR initiative by

KfW and Ukrenergo to restore energy infrastructure (Cabinet of Ministers of Ukraine, 2025).

Moreover, the European Investment Bank (EIB) has allocated approximately 600 million EUR to support the energy, transport, and business sectors through loans, guarantees, and grants (European Investment Bank, 2025). The IFC + OTP Leasing initiative has also been shown to be effective in incentivising SME lending. The IFC has established a 50 million EUR facility to support projects in the sectors of agriculture, energy, and logistics. This initiative is designed to mitigate up to 50% of the bank's risk, while concurrently providing capital rebates to encourage the development of projects with a focus on environmental sustainability (International Finance Corporation, 2025).

Beyond traditional financial instruments, venture capital investment plays a critical role in fostering innovation, technological development, and the expansion of Ukrainian startups and young companies into the EU market. Venture capital facilitates the financing of high-risk yet promising projects that have the potential to act as drivers of economic growth and competitiveness within the European Union.

Other financial programs and support initiatives further facilitate Ukrainian entrepreneurs' adaptation to EU standards (see Table 5 for details).

Table 5

Financial instruments supporting the adaptation of Ukrainian enterprises to EU standards

Instrument / Platform	Funding Volume	Objective / Focus Area
Ukraine facility	up to 50 billion EUR	Restoration, reforms, modernisation
Ukraine investment framework	9.3 billion EUR (guarantees + financing)	Support for infrastructure, SMEs, private businesses
KfW & Ukrenergo Agreement	100 million EUR	Restoration of the energy sector
EIB / EU package	~600 million EUR	Energy, transport, SMEs
IFC + OTP leasing RSF	50 million EUR	Leasing for energy efficiency, agriculture, logistics
Diia.Business	N/A (online + offline)	Export support, training, consultancy
BDO / EBA support	N/A (expert-based)	Export strategy, modernisation, communications

Source: developed by the authors

It can be concluded that Ukrainian enterprises already benefit from a wide range of financial, advisory and strategic access instruments. These include large-scale European funds, leasing programmes, online platforms for SMEs, and strong support from business associations. It is evident that such instruments play a critical role in facilitating the successful transformation of enterprises in accordance with European standards.

3.3 Innovative Strategy for Adapting to EU Requirements

Notwithstanding the considerable export potential of Ukrainian agro-industrial enterprises, the export structure remains predominantly raw-material based. The exportation of key products, including cereals, sunflower seeds, corn, and oils, remains a significant economic driver. A further challenge is presented by the increasing application of quota restrictions on agricultural products, leading to instability for producers, particularly small and medium-sized enterprises. A strategic response to these challenges involves transitioning to high value-added products. Domestic processing, including bioethanol, starch, sugar molasses, pressed cake, and packaged goods, has been identified as a strategy to mitigate quota limitations, enhance profit margins, and generate exportable goods, as well as technological competencies.

In response, a modernisation strategy has been proposed. This is termed Smart Value Europe. The model under discussion involves the structural

adaptation of Ukrainian enterprises to the EU market, with a particular emphasis on the creation of high-tech, energy-efficient production systems that align with EU standards. Key components include the deep processing of agricultural raw materials, the development of innovation clusters based on research and development (R&D), the integration of green energy solutions, and inter-enterprise co-operation to establish complete production cycles.

Venture capital plays a crucial role in implementing this model, providing flexible financing for innovative, high-risk but promising projects. By leveraging international institutions, corporate funds and partnerships with European stakeholders, venture capital empowers Ukrainian agribusiness enterprises to establish deep-processing startups, adopt pioneering technologies, increase production capacity and boost their competitiveness in the European market (see Table 6).

There are already practical examples of such investments. For instance, Horizon Capital actively invests in high-tech and export-oriented companies, particularly within the agribusiness sector. Similarly, SMOK Ventures, which is registered in Poland and operates in Central and Eastern Europe, has begun supporting Ukrainian agribusiness startups that integrate IT solutions with food processing. The Ukrainian Startup Fund also provides early-stage funding. In 2023–2024, some of this funding was directed towards innovations in agribusiness, including initiatives such as Agrolabs and FoodBIOPack.

Table 6

Overview of the new model for structural adaptation of Ukrainian enterprises to the EU market: Smart Value Europe

Component	Description
1. Technological Processing	Production of final products from agricultural raw materials (e.g., corn chips instead of raw grain)
2. R&D Clusters	Implementation of applied research involving universities and business incubators
3. Energy Neutrality	Use of renewable energy sources in production – compliance with ESG / EU Green Deal requirements
4. Horizontal Integration	Collaboration among enterprises to establish complete production cycles and joint branding
5. Venture Financing	Creation of venture platforms in partnership with EU funds (e.g., EIF, Horizon Europe)

Source: developed by the authors

In the context of implementing this strategy, the establishment of a system of support mechanisms is of paramount importance. This system is intended to guarantee not only the technical adaptation of Ukrainian business to EU standards, but also their comprehensive integration into the economic space of the European Union. The implementation of this strategy is contingent upon the interaction of three interrelated areas: financial and institutional support, reorientation of export logic and deepening of educational and entrepreneurial potential.

Firstly, attracting grant funding and institutional support is an important prerequisite for modernising production and developing innovative areas. The Ukraine Facility programme, which was approved by the European Commission, provides for the allocation of up to 50 billion EUR to support Ukraine's reforms, recovery and economic growth. The investment component of the programme opens up access to financing for projects involving the technological renewal of enterprises, environmentally friendly production and increased energy efficiency. An additional instrument in the toolkit is Ukraine's involvement in the Horizon Europe programme, which provides financial subsidies for research and innovation initiatives. It is also worthy of consideration the potential for integration into the EU4Business program, which provides support for small and medium-sized enterprises (SMEs) through consulting, microfinance and training programs. Institutions such as the EBRD, IFC, and KfW, which have previously implemented numerous infrastructure and industrial projects in Ukraine, are also involved in the financing of these projects. These institutions have demonstrated their readiness to support enterprises in the process of adapting to EU standards.

Secondly, the new strategy provides for the reorientation of export flows based on the targeted segmentation of the EU market. In lieu of conventional raw material exports, the emphasis is being shifted towards B2B segments that align with the European Green Deal, encompassing environmentally sustainable packaging, processed organic products, vegan solutions, and related areas. Such products not only meet EU environmental standards, but also have a significantly higher added value. In this particular context, a viable strategy that has been proven to be effective is the establishment of trade alliances between small producers. These alliances facilitate the establishment of a unified export platform, which in turn enables the distribution of expenses related to certification, logistics and marketing.

Thirdly, it is imperative to emphasise the pivotal role of human capital development and entrepreneurial competencies in ensuring the strategy's sustainability. In addition to the necessity of technical upgrading, it is imperative for Ukrainian enterprises to acquire

knowledge regarding European regulation, export logistics, ESG compliance, and other pertinent matters. In this context, integration with educational and entrepreneurial platforms, such as Diia.Business, EEN Ukraine (European Business Support Network) and Agrohub, which provide access to educational programmes, mentoring, consultations and training on entering foreign markets, is of particular importance. A promising direction for further research is the establishment of digital incubators based on the e-Residency Estonia model. These incubators would allow entrepreneurs to legally work on the EU market without leaving the borders of Ukraine, and provide quick access to administrative and legal services.

It is therefore evident that the comprehensive implementation of financing mechanisms, export reorientation and educational support creates the prerequisites for the effective modernisation of Ukrainian enterprises and integration into the internal market of the European Union.

The primary benefits anticipated from the Smart Value Europe strategy are: the augmentation of added value, the mitigation of dependence on quotas, the expansion of sales markets, the enhancement of the quality, branding and environmental friendliness of Ukrainian products, and the creation of new employment opportunities through the augmentation of the processing chain within Ukraine. Needless to say, there are certain risks, such as the end of the temporary duty-free regime, political pressure from the farming associations of EU member states and insufficient localisation of production standards. To overcome these and other risks, the following measures should be taken:

- 1) Consolidate European integration provisions in national industrial policies;
- 2) form platforms for shared access to innovative equipment;
- 3) promote the development of public-private partnerships in R&D (following the model of Poland and the Czech Republic).

The proposed Smart Value Europe strategy offers a systemic solution to several critical challenges: the instability of trade conditions with the EU; dependence on raw materials; and weak vertical integration. The strategy focuses on the long-term competitiveness of Ukrainian enterprises by promoting modernisation, technological development, institutional support, and venture financing. This approach aligns with the strategic restructuring of the Ukrainian economy within the context of European integration.

4. Conclusions

Ukrainian enterprises are currently in a critical phase of transformation, prompted by the phasing out of the temporary preferential trade regime with

the EU and the need to fully adapt to EU standards. Analysis of current trends suggests that, despite significant export potential and growth in total supplies to the EU market, Ukrainian exports are still largely based on raw materials. This restricts opportunities for sustainable economic growth, reduces the domestic added value of products, and undermines the position of Ukrainian enterprises within global supply chains.

In this context, the central challenge is the transition to an innovative, high-tech, and deeply processed export model, as envisaged by the proposed Smart Value Europe strategy. This strategy offers a dual benefit, acting as both a short-term response to external pressures and a long-term structural restructuring of the Ukrainian export sector. The implementation of this strategy is founded on technological innovation, the development of R&D-based clusters, the adoption of environmentally sustainable production processes in accordance with the European Green Deal, and the establishment of horizontal co-operation among enterprises to establish complete domestic production chains.

It is imperative to acknowledge the significance of authentic access to the EU market, which is characterised by stringent regulatory frameworks. It is imperative for Ukrainian enterprises to adhere to the technical certification requirements (CE, RoHS, REACH, etc.) and modify their production processes, logistics, business models, and marketing strategies to align with EU standards and meet consumer expectations.

A salient positive factor is the robust external support provided by international partners through grants and loan programmes (e.g., Ukraine Facility, EU4Business, Horizon Europe, EBRD, IFC, KfW) and via venture and blended finance instruments, which enable the development of innovative, high-risk, but promising projects. It is imperative to note that venture capital investment in agricultural and processing startups that integrate modern technologies is of particular significance. It is evident that financial institutions such as Horizon Capital, SMOK Ventures, the Ukrainian Startup Fund, and specialised IFC and KfW programmes have a pivotal role in facilitating modernisation, stimulating R&D,

promoting the creation of high value-added products, and supporting the scaling of businesses for the European market.

Within the Smart Value Europe strategy, three interrelated dimensions are decisive:

- Financial and institutional support, providing resources for production modernisation, ecological transformation, and digitalisation;
- export reorientation toward high-margin segments, including organic products, processed goods, eco-packaging, and B2B products aligned with the Green Deal;
- educational and consulting support, fostering entrepreneurial competencies, understanding of EU regulatory frameworks, digital infrastructure, and innovation ecosystems.

A key feature of the strategy is its systemic approach, which integrates instruments of various scales – from micro-grants for SMEs to venture and strategic R&D financing – to cover both nascent initiatives and mature enterprises. This forms an ecosystem of sustainable economic growth. Platforms such as Diia.Business, EEN Ukraine and Agrohubs actively support enterprises in adapting to change, developing institutions and preparing for entry into foreign markets.

It is also necessary to consider the risks, which include the gradual phasing out of the duty-free regime, growing political sensitivity surrounding EU agricultural imports, the fragmented implementation of European standards within Ukrainian legislation, a low level of innovation, and limited integration into the European venture ecosystem. Overcoming these barriers requires collaboration between businesses, the state and international partners.

In conclusion, the proposed Smart Value Europe strategy not only addresses current challenges in EU trade but also establishes a framework for the long-term development of the Ukrainian economy. The initiative establishes the foundation for a transition to a model in which the primary resources are innovation, technology, knowledge, and the "Made in Ukraine" brand. A successful implementation will enable Ukrainian enterprises not only to enter the EU market but also to become fully competitive, recognised, and integral participants within it.

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