



# Working with Ukraine's Defence Sector

Procurement & UK Defence Industrial Engagement with Ukraine

October 2025





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The procurement pathways, partnership opportunities and government- backed support mechanisms described in this document may not be accessible or applicable to all UK businesses. Businesses should undertake their own research and take necessary advice to ensure that they comply with Ukrainian laws and regulations when engaging with Ukraine's defence ecosystem. Businesses are also reminded that they must comply with UK export control laws and regulations, including obtaining licences from the Export Control Joint Unit (ECJU) where applicable.

Travel to Ukraine is undertaken entirely at your own risk. The security situation is volatile and subject to rapid change. Individuals must ensure they remain up to date with the latest information and follow the official FCDO travel advice.

# 1. Introduction

The UK Government is committed to supporting Ukraine's defence sector through a combination of operational assistance, industrial collaboration, and strategic engagement. This document provides UK businesses with a high-level overview of the current landscape, including procurement pathways, partnership opportunities, and government-backed support mechanisms.

It is designed to help UK companies understand how to engage responsibly and effectively with **Ukraine's defence ecosystem**, in alignment with both UK and Ukrainian priorities. The guidance reflects lessons learned from recent initiatives, including bilateral trade missions and coalition-based procurement efforts.

The <u>UK-Ukraine 100-Year Partnership</u> and recent agreements on battlefield technology sharing underscore the long-term nature of this collaboration. This document outlines practical routes to market, key stakeholders, and considerations for building sustainable industrial relationships in Ukraine.





# 2. UK Support to Ukraine

# Taskforce KINDRED (TFK)

**TFK** leads the UK Ministry of Defence's (MOD) efforts to **rapidly deliver lethal military capability** to the Armed Forces of Ukraine. Acting as the focal point within the UK Government for all materiel / capability provision to Ukraine, it ensures fast-track responses using **UK stockpiles or newly procured items**.

Working closely with the **National Armaments Group (NADG)**, the team matches Ukraine's operational needs with available inventory or rapidly sourced equipment and **manages an annual budget of around £3 billion**, drawing on various funding sources. It has increasingly focused on developing new capabilities, tailored to the Ukrainian environment such as the RAVEN air defence system, as well as various drones. TFK receives direct feedback from Ukrainian forces on donated systems, using these insights to **inform future UK procurement decisions**. Challenger 2 tanks, more than 400,000 artillery shells, over 50,000 drones, and Storm Shadow cruise missiles are examples of what has been delivered so far by TFK.

The normal process for managing support to Ukraine is through KOROVAI requests, generated via NATO Security Assistance & Training – Ukraine (NSAT-U). KOROVAI is specialised software developed through collaboration between international partners utilised by the Armed Forces of Ukraine since 1 September 2022 that aims to cohere and prioritise demand signals. The Ministry of Defence of Ukraine manages the data input. The software allows for all international partners to be involved in planning needs and monitoring the movement of material resources to connect the Armed Forces of Ukraine.

Businesses are encouraged to work with the formal Ukrainian procurement processes and specifiers, providing evidence of capability and establishing demand signals. Ukraine will ultimately decide whether submissions meet the requirements for inclusion in KOROVAI.



**KOROVAI** is a digital tracking system used by the Armed Forces of Ukraine to monitor and manage the delivery and distribution of military aid, ensuring transparency and accountability from arrival to deployment.

**NSAT-U** is responsible for overseeing international partners. They interact with KOROVAI to help **prioritise support and manage requests** for assistance to Ukraine. Following the above will provide the **best chance of international partners having visibility** of your capability.

# **Engaging with TFK**

TFK regularly runs industry engagement days, examples include those for **Projects VANDAL** (boats), **BRAKESTOP** (low-cost cruise missile), **PEREGRINE** (aerial drones), **COOKSON** (boats) and **VOLLEY** (drone launcher).

TFK also oversees Equipment Support (ES) and other maintenance and sustainment activities that support Ukraine. These include support contracts (e.g. **Project HECTOR**) and in-country support contracts, focussed on sustaining platforms, weapons and equipment in Ukrainian service. These are, primarily, implemented through Taskforce HIRST (see below).

Companies with relevant and compelling proposals are encouraged to submit them via the UKDE team at the MOD which can then forward them to TFK. TFK is active in broader industry forums, such as ADS Focus Groups.

For businesses that want to **engage with TFK** please contact UKDE by completing this form: <a href="https://forms.office.com/e/XuDpnFVwLE">https://forms.office.com/e/XuDpnFVwLE</a>

TFK opportunities are advertised on the **Defence Sourcing Portal**.

#### Case Study - Taskforce KINDRED Capability Delivery



TFK has delivered over 400 distinct capabilities to Ukraine, not including those still in development.

Ongoing development efforts include projects such as BRAKESTOP, VOLLEY and CALLISTO, as well as initiatives from previous closed competitions and the Drone Capability Coalition.

Small and medium-sized enterprises (SMEs) have been particularly successful in these competitions, winning most competitions. Most of TFK's spending on drones for example, has been with UK SMEs.

# Taskforce HIRST (TFH)

**TFH** is a **Cross-Government** (MOD / Department for Business and Trade / UK Export Finance) **initiative** that enables sustainable and scalable support to Ukraine, focusing on defence industrial partnership between the UK, Ukraine, and allied nations.

**Project TEDI** is a Framework Arrangement, established by TFH, that streamlines the process for implementing contracts, allowing us to deliver capability to Ukraine in the shortest possible time.

TFH is about building **sustained defence industrial partnerships** - helping British firms scale up production for both UK and Ukraine's needs and **codevelop capabilities** with Ukrainian companies inside Ukraine but also back in the UK (utilising the UK's defence industrial base to help scale).

TFH's mandate is to enable a more sustainable and scalable support to Ukraine and develop **both local UK and Ukrainian defence industrial production** and capacity. It also enables the UK to learn from Ukraine on how to mobilise the economy at pace to **meet emerging threats**.

TFH's spending objectives are as follows:

- Provide capabilities that are relevant to Ukraine in its fight now against Russia;
- Enhance UK industrial capability and capacity, including forward presence in Ukraine;
- Enhance Ukrainian industrial capability and capacity, and cooperation with the UK:
- Develop capabilities that will be of benefit to the UK Armed Forces.

For businesses that want to **engage with TFH** please contact UKDE by completing this form: <a href="https://forms.office.com/e/mhDUKEQBnv">https://forms.office.com/e/mhDUKEQBnv</a>

# **UK Export Finance (UKEF)**

There may be potential for **short-term export insurance for private sector-only contracts**. Businesses are encouraged to contact **UKEF** directly to explore available insurance options and stay informed about any future developments.

You can submit an enquiry form on the <u>official UKEF website</u>.



**UK Export Finance (UKEF)** is the UK Government's export credit agency. It helps UK businesses sell their products and services overseas by providing insurance, guarantees, and loans when private sector finance isn't available.

# Extraordinary Revenue Acceleration (ERA)

The Extraordinary Revenue Acceleration (ERA) Loan Agreement, agreed between His Majesty's Treasury and the Ministry of Finance of Ukraine on 1 March 2025, sees the UK loan £2.26bn to Ukraine which shall be disbursed in three tranches of £752m through Ukraine's financial years 2024-26. This is Ukraine's money; the MOD acts as a trusted adviser to Ukraine and places contracts on Ukraine's behalf. Companies are contracted once Ukraine has confirmed its selection. Companies are ineligible to make ad hoc requests.



**ERA (Extraordinary Revenue Acceleration)** funding is provided through **budget support from the G7**, repaid using the extraordinary profits generated on **immobilised Russian sovereign assets** primarily held in the EU. The UK's contribution to Ukraine under the ERA scheme will be used for **budgetary support earmarked for military procurement**.

## **Coalition-Based Procurement**

Companies may be contracted by multinational procurement mechanisms (NATO / EU / Allied Initiatives) such as the International Fund for Ukraine (IFU), a UK-led initiative to which allies have pledged over £1.8 billion for the procurement of military equipment for Ukraine. The IFU uses rapid procurement processes to deliver critical capabilities which are aligned to Ukraine's priority requirements for military equipment.

Further Reading: <a href="https://www.gov.uk/guidance/international-fund-for-ukraine-ifu">https://www.gov.uk/guidance/international-fund-for-ukraine-ifu</a>

In **June 2025**, the UK announced a **tenfold increase** in drone deliveries to Ukraine, targeting the supply of **100,000 drones in 2025**, up from 10,000 the previous year. Backed by a record **£350 million** investment through the IFU, this initiative supports the rapid procurement and deployment of drones.

Further Reading: <a href="https://www.gov.uk/government/news/tenfold-increase-in-uk-drone-deliveries-for-ukraine-at-50-nation-ukraine-summit">https://www.gov.uk/government/news/tenfold-increase-in-uk-drone-deliveries-for-ukraine-at-50-nation-ukraine-summit</a>

# 3. Ukraine: Direct Procurement The Defence Procurement Agency (DPA)

The **DPA** of **the Ministry of Defence of Ukraine** is the national agency responsible for ensuring that the Armed Forces of Ukraine receive the weapons and combat systems they need, while maintaining **transparency, accountability, and alignment with NATO procurement standards**.

A key priority of the DPA is the **efficient, rapid, and high-quality fulfilment** of the Armed Forces of Ukraine's needs for **ammunition, UAVs, and military equipment**. They research the defence market and are committed to building strong partnerships with both domestic and international suppliers.

The DPA contracts weapons, ammunition, and military equipment that:

- Have been codified with an NSN (NATO Stock Number);
- Are prioritised by the General Staff and approved by the Ministry of Defence of Ukraine;
- Meet the requirements set by the Ministry of Defence of Ukraine.



The Defence Procurement Agency (DPA) is a Ukrainian government body responsible for buying weapons and military equipment for Ukraine's armed forces.

#### **Procurement Models**

#### **Direct Contracting**

In cases of direct contracting, the Agency's Collegial Body selects the most economically advantageous offers from among those submitted in response to the Agency's request for proposals.

#### **Procurement in Prozorro**

In addition to supporting its business operations, the Defence Procurement Agency uses the **Prozorro** system to procure certain **dual-use items** for the Armed Forces of Ukraine.

If the procurement is conducted through Prozorro, the decision-making process is set out at:

https://prozorro.gov.ua



**Dual-Use** is any technology, product, or knowledge that can be used for both civilian and military purposes.

#### How to Become a Supplier

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Request for Information from the DPA to a company or vice versa via the Verified Supplier application

(see QR code)

The company is added to the register if it meets compliance and security criteria

Company verification in the register

Automated mailing of commercial offer requests to verified companies, with a specified submission deadline

Review of commercial offers

(The only selection criterion is the most economically advantageous)

The Collegial
Body of the DPA
makes a decision and
submits the draft contract to
the company

UKR MOD verifies whether the procurement is necessary and meets the quantitative indicators

Contract signing and its execution

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You can also check on the website of the DPA:

https://dpa.mod.gov.ua/en/about-us

# State Operator for Non-Lethal Acquisition (DOT)

The State Operator for Non-Lethal Acquisition, known as DOT, is responsible for procuring non-lethal goods such as food, clothing, and fuel for the Armed Forces of Ukraine.

In **2024**, DOT developed the **DOT-Chain** IT system to manage the logistical needs of the Armed Forces of Ukraine. DOT's IT team has digitised the entire supply process, including product requests, expense reports, and invoices.

Currently, the functionality of DOT-Chain is limited to food supplies. The implementation of DOT-Chain has reduced delivery times by a factor of four and decreased the amount of paperwork for the military by more than 30,000 documents per week.

In **July 2025**, **DOT-Chain Defence** was launched on the DOT-Chain platform, which is also used by the DPA. It is a **modern marketplace for the military**, enabling quick ordering and delivery **without unnecessary bureaucracy**. Currently, **FPV drones** are being ordered through DOT-Chain Defence, and soon other types of **UAVs**, **electronic warfare systems**, **and robotic complexes** will also be available to order.

Its procurement process is designed to promote efficiency and transparency, with anti-corruption safeguards integrated throughout all operations.

Prozorro electronic procurement platform and announced on its official website. UK suppliers offering relevant goods are encouraged to consult the DOT's website (<a href="https://dotua.org/en/for-suppliers-668403e00b4c8/">https://dotua.org/en/for-suppliers-668403e00b4c8/</a>) for guidelines.

DOT also collaborates closely with Ukraine's Joint Logistics Centres to streamline distribution. Recently, DOT introduced standardised packaging and QR code labelling requirements for suppliers of clothing. UK companies bidding for DOT contracts should be prepared to comply with these specifications, for example, ensuring consistent palletisation and functional QR labels.

Looking ahead, DOT aims to align its logistics operations with NATO standards. Companies with experience in NATO support contracts may therefore hold a competitive advantage.

#### **Contacting DOT**

Those seeking assistance regarding participation in DOT tenders are welcome to reach out at <a href="mailto:procurement@dot.gov.ua">procurement@dot.gov.ua</a>.

# 4. Local Partners and Industrial Partnerships

# Joint Ventures and Industrial Partnerships

Partnering with **Ukrainian defence companies** is an effective market entry strategy for UK businesses. This can take the form of **joint ventures**, **co-production agreements**, **or reseller partnerships**. Ukraine actively **prioritises funding** for joint ventures that help build its defence industrial base and strengthen **long-term national security**.

Local Ukrainian firms offer valuable advantages, including **knowledge of the procurement system**, established relationships with the Ministry of Defence of Ukraine, and access to on-the-ground facilities. UK companies can contribute **advanced technology, capital, and specialised expertise**, creating a mutually beneficial partnership.

Public-Private Partnerships (PPPs) are also encouraged by the Government of Ukraine. The April 2024 Defence Materiel Cooperation Framework Arrangement explicitly promotes joint ventures and co-production in key areas such as armoured vehicles and drone technologies.

Localising can aid logistics, potentially speed up feedback loops and future access to Government of Ukraine funding. The Government of Ukraine is strongly supportive of local partnerships as they seek in-country investment. The Ukrainian government's view is that their battle-tested defence industrial expertise and competitive labour costs make a lucrative offer for investors.

On 23 of June 2025, the UK and Ukraine <u>agreed to share battlefield</u> <u>technology</u>, initially focusing on <u>drone development</u>. The UK, working with Ukraine, will use data from Ukraine's front lines to rapidly iterate and mass-produce drones at scale, using the UK's industrial base, for Ukraine's defence needs. The UK is also providing £280 million in bilateral assistance, bringing total <u>non-military support to over £5 billion</u>. Email <u>Commercial.Kyiv@fcdo.gov.uk</u> for further information.

# 5. General Guidance on Working in the Ukrainian Defence Market

# Local Presence and Proximity Advantage

Establishing a **physical presence in Ukraine**, such as opening a representative office or employing local staff, can support credibility and operational effectiveness. It **signals long-term commitment** and reliability to local stakeholders.

A local footprint also improves **responsiveness and relationship-building**. Teams based in-country are better positioned to attend meetings at short notice, **communicate in Ukrainian**, and engage directly with end-users. Proximity may allow companies to adapt to Ukraine's **fast-paced R&D cycles**.

#### Maintenance, Training, and In-Theatre Support Requirements

UK businesses may wish to consider what support their products need and how it could be provided. This might include **spare parts**, **repairs**, **training**, or having **technical staff available in Ukraine**.

Offering Maintenance, Repair, and Overhaul (MRO) options can be helpful. This could involve working with local partners or training Ukrainian technicians to carry out repairs. Including training programmes, such as train-the-trainer models, can help Ukrainian forces use and maintain equipment independently.

#### Demonstrating Value, Innovation, and Battlefield Readiness

UK businesses should clearly articulate the **unique value** of their equipment or service. Where possible, claims of game-changing capability should be supported by **credible evidence**. Equipment that has been tested and **proven in-theatre** is more likely to gain traction.

One way to strengthen credibility is by highlighting the **Technology Readiness Level (TRL)** of the solution. Ukraine may ask whether the system has been field-tested or deployed in operational environments. Given the urgency of the conflict, Ukraine has shown a **strong willingness to experiment with innovative systems**. To support this, it has launched the **Iron Range project**: a dedicated test site where manufacturers can trial new technologies. Additionally, BRAVE1 has launched the **Test in Ukraine initiative** that already has more than 10 UK companies registered to test their capabilities in-country.

For more information about testing your equipment in Ukraine please contact: <a href="mailto:Commercial.Kyiv@fcdo.gov.uk">Commercial.Kyiv@fcdo.gov.uk</a>.



**Technology readiness levels (TRLs)** are a method for estimating the maturity of technologies during the acquisition phase of a programme. TRLs enable consistent and uniform discussions of technical maturity across different types of technology.

# 6. UK Defence Exports Support

# **UK Defence Exports (UKDE)**

**UKDE**, part of the Ministry of Defence, works closely with British companies seeking to engage with Ukraine's defence sector. Through its links with the **British Embassy in Kyiv** and other official channels, UKDE can help ensure that **proposals are shared with the appropriate Ukrainian authorities**.

## Trade Missions and Industry Engagement

The UK Government, along with industry bodies such as **ADS Group**, has organised **trade missions and delegations to events in Ukraine** to strengthen UK–Ukraine defence and security cooperation since the full-scale invasion.

We have recently internationalised this concept drawing attendance from procurement officials from European partners and in May 2025, 51 UK and international companies joined the fifth UK-Ukraine trade mission in Kyiv, making it the largest British-led trade delegation to Ukraine to date.

Participating companies from across the defence economy specialising in areas like **uncrewed systems** and **military goods** have secured contracts, **boosting high-skilled jobs** in regions across the country, supporting the government's **Plan for Change**.

Additional trade missions are scheduled, offering opportunities for UK companies to **engage directly with Ukrainian stakeholders**, showcase their capabilities, and explore partnerships in defence technologies. Participation in these trade missions is managed by **ADS** where you can register your interest with a free sign up: <a href="www.adsgroup.org.uk">www.adsgroup.org.uk</a>, or email them at: <a href="www.adsgroup.org.uk">ukraine@adsgroup.org.uk</a>

#### **May 2025 Trade Mission Business Impact**



UK companies that participated in earlier missions are now **under contract**. Examples are extremely commercially sensitive but exist in **uncrewed systems**, **demining**, **and maritime sectors**.

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UK firms reported **emerging partnerships** with Ukrainian companies and are exploring **trilateral partnerships with European partner nations**, facilitated by the mission's **multinational format**.

66 Working with the Netherlands, Norway, and Ukraine we're building resilient supply chains, putting Ukraine in the strongest possible position to achieve a just and lasting peace for years to come.
99
Lord Coaker, UK Minister of State for Defence

# **Travel and Security Considerations**

Ukraine remains an active war zone, and the security situation is highly volatile and can change rapidly.

We urge all businesses considering travel to Ukraine to carefully review and remain up to date with <u>the latest UK Government travel advice</u>.

Any decision to travel or establish a presence in Ukraine is undertaken **entirely at your own risk**. Companies should make their own security assessments, put appropriate risk-mitigation measures in place, and remain alert to the possibility of sudden changes in the security environment.

## **UK Defence Exhibitions and UK Business Engagement**

The UK hosts major defence exhibitions such as the Farnborough International Airshow and DSEI (Defence and Security Equipment International), which serve as key platforms for showcasing British defence capabilities. The UK Government regularly invites official Ukrainian delegations to attend these events. During such exhibitions, UKDE often facilitates short, structured meet-and-greet sessions between UK companies and foreign delegations, including Ukraine, helping to foster direct engagement and explore potential partnerships.

UKDE holds frequent webinars to help UK companies engage with Ukrainian officials in order to help companies understand how to form partnerships with Ukrainian companies and to build understanding of the latest in the Ukrainian defence procurement landscape.

Please use this link to receive notifications of upcoming Ukraine-related webinars: <a href="https://forms.office.com/e/ey6wgj2ywB">https://forms.office.com/e/ey6wgj2ywB</a>

# **UKDE Export Faculty**

The **UKDE Export Faculty**, part of the Department for Business and Trade's Export Academy, provides targeted support to UK companies in the defence, looking to expand internationally. It offers **sector-specific training** and **market insights**, helping businesses **navigate export regulations**, **prepare for trade missions**, and **connect with potential buyers**.

Register for the Export Faculty at <a href="https://www.business.gov.uk/campaign/ukdse-export-faculty-968ccef2/">www.business.gov.uk/campaign/ukdse-export-faculty-968ccef2/</a>

If you would like to contact UKDE directly, please use the following general email address: dbt-ukdse.enquiry@businessandtrade.gov.uk