

Rebuilding Ukraine

A new kind of resilience



Rebuilding Ukraine: A new kind of resilience

March 2026

Ukraine challenges assumptions for a country at war, but this is not a statement about innovative drone warfare, defiant battlefield resistance or a resilient population. Economic reporting for 2025 shows that Ukraine's GDP grew by 2% and is projected to grow at a similar rate in 2026; inflation is expected to fall to 6–7%, and monetary policy is easing. Ukraine's sovereign credit rating has improved.

Despite sustained attacks on infrastructure, economic activity is expanding. Ukraine's M&A market grew in 2025, with total deal value reaching USD 1.35bn. Lending to businesses increased 30% year-on-year. Investment demand has returned to the real estate sector, and the labour market has recovered to roughly 95% of pre-war vacancy levels. At the same time, the structure of the economy is shifting: high-tech industry contributes nearly double the share of GDP it did in 2021, domestic processing of agricultural products is increasing export revenues, and trade agreements are expanding markets.

These results reflect Ukraine's sustained economic and regulatory reforms aligned with EU integration. Ukraine is doing more than maintaining stability under wartime conditions: it is repositioning itself as a modern, investment-ready economy.

This is not to ignore the economic damage from the war. Growth projections jump under a post-war scenario, and international discussions around a Ukraine Prosperity Plan envisage the need for USD 800bn in investment over the next decade, backed by the EU, G7 countries, IFIs and private capital.

The scale of the opportunity is clear. But Ukraine is not a future reconstruction story. It is an economy stabilising and attracting investment in real time—while laying the foundations for one of the most significant growth opportunities in modern Europe.



Get prepared to do business

CMS's 2025 Guide to Investing and Doing Business in Ukraine gives a clear picture of the business and investment environment, with updates on the key opportunities in Ukraine's reconstruction and economic recovery.

[Investing and Doing Business in Ukraine 2025](#)

Investment and Funding Landscape

International financing

Q1 2026 announcements:

- DFC launched an [online portal to accept project submissions](#) for the US–Ukraine Reconstruction Investment Fund.
- The Amber Dragon Ukraine Infrastructure Fund I, backed by EU development banks and the IFC, reached its first close at EUR 200m.
- A Ukraine reconstruction ETF was launched on the LSE, tracking 50 companies in the VettaFi Ukraine Reconstruction Index.
- The Czech government announced new guarantee and insurance programmes to support companies entering the Ukrainian market.

The following IFIs offer loan and investment programmes:

- The European Bank for Reconstruction and Development (EBRD)
- US International Development Finance Corporation (DFC), including the US–Ukraine Reconstruction Investment Fund
- European Investment Bank (EIB)
- International Finance Corporation (IFC)
- WorldBank

The following equity funds backed by IFIs and national governments support investments in Ukraine:

- European Flagship Fund for the Reconstruction of Ukraine
- Ukraine Investment Framework (UIF), the equity arm of the EU’s Ukraine Facility
- US–Ukraine Reconstruction Investment Fund, under the US–Ukraine Minerals Deal
- EU for Ukraine Fund (EU4U), managed by the EIB

Private equity funds from Horizon Capital, Dragon Capital and others also target investments in Ukraine. National initiatives in over 15 countries in Europe, North America and Asia support domestic companies participating in Ukraine.

Risk insurance and investment guarantees

Q1 2026 announcements:

- Vienna Insurance Group launched war risk insurance supporting a total coverage portfolio of up to USD 100m.

The insurance market in Ukraine addresses war risk through an ecosystem of international guarantees, state programmes and private market solutions. The Multilateral Investment Guarantee Agency (MIGA), DFC, KUKE (Poland) and European bilateral agencies provide investment guarantees for foreign capital in Ukraine, and the Ukraine War Risk Insurance Facility provides private-market coverage backed by Lloyd’s of London. Other de-risking programmes are available from EBRD, UK, Japan and over 14 export credit agencies. CMS Law has published a comprehensive guide: [Protecting business in Ukraine](#).

Government of Ukraine programmes

Q1 2026 announcements:

- Ukraine launched the National Development Agency with access to EU funding to expand financing for SMEs.
- The NBU further eased currency restrictions for businesses, increasing borrowing flexibility and simplifying rules for cross-border transactions.

Rules for public-private partnerships (PPPs) with both national and regional governments offer improved guarantees for private partners. State support is available for qualifying foreign investments, and foreign investors can directly access debt instruments from the National Bank of Ukraine (NBU). Through EU and international support, municipal-level governments are launching reconstruction programmes. The privatisation of state-owned assets is ongoing.

Key Ukrainian agencies and programmes include:

- Ukraine Business Development Fund
- State Agency for Reconstruction and Development of Infrastructure
- Programme of State Support for Investment Projects in Ukraine
- Decarbonisation Fund and the Ukrainian National Decarbonisation Platform
- National Development Agency
- Green Platform—an online catalogue of over 100 financing programmes
- Big Recovery Platform—a public database of reconstruction projects

Ukrainian tax incentives

Tax and interest relief and infrastructure subsidies are available for new industrial parks. The Diia City virtual economic free zone reduces tax and regulatory burdens for participating tech companies. The Defence City regime provides similar support for defence tech.

Key Sectors and Opportunities

Defence

Ukraine is a significant player in global defence, with over 500 drone and 100 ground robotic system manufacturers, 200 electronic warfare companies, 20 private missile producers. Including ammunition and armoured vehicles, Ukraine's domestic production is valued at USD 55bn, a 5,400% increase since 2022. Foreign firms have localised production in Ukraine and the defence sector attracted USD 6.7bn in international support in 2025. Ukraine has initiatives with over 21 international partners and is an arms exporter, with plans to open ten Ukrainian export centres across Europe in 2026.

Q1 2026 announcements:

- *Ukrainian-founded drone software company Swarmer reached a USD 380m valuation on its Nasdaq IPO.*
- *Ukrainian manufacturers were selected for the first phase of the US Department of Defense's USD 1.1bn Drone Dominance Programme.*
- *European unmanned systems developer Stark (valued at over EUR 1bn) is establishing an R&D centre in Ukraine.*
- *Ukraine's Brave1 defence cluster and the French Defence Innovation Agency signed an agreement to launch a joint grant programme ("Brave France").*
- *America-Ukraine Strategic Partners launched a defence matchmaking and procurement platform linking Western contractors with Ukrainian tech companies.*

Energy and renewables

Despite sustained attacks, Ukraine's energy sector is its largest-performing industry, and Ukraine is transitioning to renewables and smart systems at scale. Solar power plant construction doubled in 2025, 324 MW of new wind power capacity was installed, and 512 MW of energy storage for renewables was rolled out. Ukrainian companies supplied over 11 million m³ of biomethane to EU markets. The electricity grid is fully integrated with Europe, and Ukraine is developing electricity exports.

Q1 2026 announcements:

- *New legislation replaced Ukraine's "green tariff" with an auction-based support system for renewable energy.*
- *The H2EU+Store consortium (Ukraine) completed a feasibility study for a green hydrogen production plant in the Lviv region.*
- *Notus Energy and Horizon Capital announced a EUR 220m wind farm investment in the Odesa region.*
- *KNESS commissioned one of Ukraine's largest energy storage facilities with a USD 40m investment.*
- *Ukraine launched a national Biomethane Register to digitally track and certify renewable gas production.*

Logistics and transportation

Investment continues to expand Ukraine's ports and container terminals, cross-border logistics terminals and rail connections. In 2025, Ukrainian ports handled 86.2m tons of cargo, and container traffic grew by 66%. Overland connections with Europe and related logistics saw the highest investment. Warehouse construction reached record levels, with 250,000 m² of new warehouse space and capacity returning to pre-war levels.

Q1 2026 announcements:

- *Ukraine expanded its "transport visa-free" regime, enabling simplified cargo delivery to more than 40 countries.*
- *Logistics operator Lemtrans (Ukraine) invested USD 3.8m in infrastructure and terminal development projects in 2025.*
- *Winhub (Ukraine) will develop an 18-hectare logistics park in the Kyiv region.*

IT and technology

Ukraine's IT sector remains its most globally integrated industry. In 2025, the sector accounted for 12% of total exports worth USD 6.66bn, returning to growth after two years of decline. Ukrainian startups attracted over USD 500m and the domestic IT market is projected to grow by 5% in 2026. Job openings in IT have reached their highest level since 2021.

Q1 2026 announcements:

- *Education startup Headway (Ukraine) secured Series A investment from Endeavor Catalyst.*
- *Ukrainian-American quantum computing startup Haiqu raised USD 11m in seed funding led by Primary Venture Partners.*
- *Education platform Preply (Ukraine) raised USD 150m in Series D funding, reaching a USD 1.2bn valuation.*
- *Toloka VC (Ukraine) will expand its investment portfolio to USD 50m.*

Manufacturing and industrial parks

Ukraine launched an industrial parks programme in 2024, and by the end of 2025, 37 factories and plants had been built or were under construction in new industrial parks. Over 80 parks are listed in the industrial parks' register, including specialised parks focussing on agro-processing and building materials. With investments from Europe, North America and Asia, the processing industry's share of GDP has increased to 8.5%.

Q1 2026 announcements:

- *EFI Group (Ukraine) will launch an investment fund targeting industrial projects.*
- *Reka Rubber (Poland) will acquire a production site in Ukraine.*
- *Nestlé increased investment in its Volyn production facility to EUR 70m.*
- *Zhytomyr Crushed Stone (Ukraine) began operating its plant to supply inert materials for infrastructure and construction projects.*
- *The Fourth Law and Odd Systems will launch Ukraine's first production facility for camera sensors and thermal imagers.*
- *BF Zavod (Ukraine) is constructing a EUR 30m basalt products plant.*
- *Grandsteel (Ukraine) announced a USD 78m metalworking industrial park.*

Agriculture and agro-processing

Ukraine is the fourth-largest food supplier to the EU and essential to global food security. Investments in grain silos, vegetable storage facilities, rail cars and related logistics are enabling faster exports and driving expansion of seed, fertilizer and pesticide production. In 2025, agriculture accounted for 55% of Ukraine's exports, generating over USD 22bn in earnings. Domestic processing is growing, with rapeseed oil exports up by 80% and soybean oil by 22%. Despite systematic attacks on ports and terminals, farmers have remained the backbone of the economy.

Q1 2026 announcements:

- *Kormotech (Ukraine) constructed a EUR 63m pet food facility in Lithuania.*
- *Gals Agro (Ukraine) began producing biomethane-based "green sugar," the first of its kind in Europe.*
- *Avesterra Group (Ukraine) launched a EUR 15m poultry complex in the Volyn region.*
- *Dairy Company (Ukraine) will construct a fully robotic dairy farm in the Kyiv region using technology from GEA Group (Germany).*

A New European Partner

Q1 2026 announcements:

- *The EU is developing a phased accession model that could grant Ukraine partial membership as early as 2027.*
- *The European Commission issued requirements for the remaining clusters for Ukraine's accession (Competitiveness, Green Agenda, and Resources and Agriculture), enabling technical negotiations across all six accession clusters.*
- *Ukraine reported 84% progress in implementing its EU Association Agreement.*
- *Ukraine will fully align its agricultural sector with EU regulations by 2028.*

Ukraine's progress towards EU integration is creating a stable and attractive destination for long-term, impactful investments.

- Ukraine is a member of the EU Single Market Programme and participates in other pan-European programmes offering business opportunities: Horizon Europe, Creative Europe and Digital Europe among others.
- Customs and import–export harmonisation is largely complete.
- Ukraine's capital markets integrate European law and follow the principles of the International Organization of Securities Commissions (IOSCO).
- Ukraine's electricity grid and natural gas network are accredited by the European Network of Transmission System Operators (ENTSO) and are governed by the REMIT Law.
- Ukraine's legislation has passed EU compliance screening, enabling Free Movement of Goods chapter negotiation with EU.
- Ukraine's product monitoring regulations meet EU requirements for industrial visa-free travel.



CMS Can Help

We are helping companies inside and outside Ukraine, both multinational and Ukrainian, to operate and succeed in Ukraine in all sectors. With lawyers qualified in Ukrainian and UK law operating in Kyiv since 2007, CMS can advise on:



business relocation



cloud-based operations



documenting and enforcing war damage claims



war risk and investment insurance



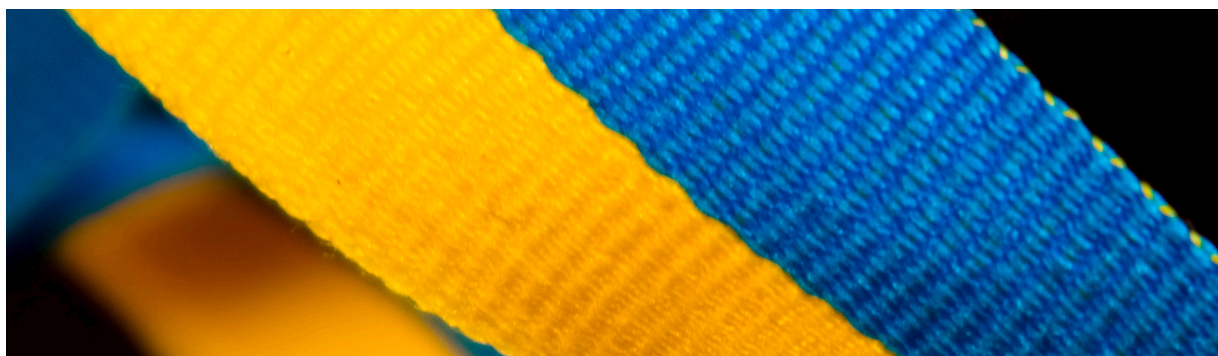
risk assessment and contingency planning



impact of martial law and legal reforms



financing, investing, and rebuilding and recovery opportunities.



Get involved now

Our aim is to help companies participate meaningfully in the opportunities being created for Ukraine's reconstruction and recovery. We offer specific services that can help your company.

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