

Rebuilding Ukraine

A vital investment



Rebuilding Ukraine: A vital investment

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In December after tense negotiations, the European Union agreed to fund Ukraine via a EUR 90 billion loan, with the UK, Canada and other Ukrainian allies expected to contribute to Ukraine's EUR 127 billion needs over the next two years. This funding is essential for Ukraine's defence, reconstruction and economic recovery. From the outset of Russia's 2022 invasion, estimates for Ukraine's postwar reconstruction have topped USD 500 billion. These are large numbers, making it is easy to mistake Ukraine as a "cost centre" for Europe.

President Zelensky has always declared that support for Ukraine is an investment in the defence of Europe. During loan negotiations in Brussels, Poland's prime minister put it more starkly: "Either money today or blood tomorrow ... and I'm not talking about Ukraine. I'm talking about Europe."

Ukraine has demonstrated, however, that it is an investment in much more. The country has enacted deep economic, industrial and financial reforms aligned with EU standards, mobilising unprecedented levels of international and private capital. Investment frameworks backed by the EU, IFIs and allied governments are financing large-scale projects across energy, logistics, manufacturing, agriculture and defence. Ukraine's economy is integrating rapidly with Europe, strengthening supply chains, boosting industrial capacity and creating new opportunities.

Ukraine's reconstruction is not a future prospect; it is a live economic transformation – and it is already underway.



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

Q4 2025 announcements:

- The EU's Ukraine Investment Framework (UIF) has allocated EUR 9.4bn for public investment programmes.
- The EIB's Ukraine Recovery Programme has approved USD 107m for 128 housing and infrastructure projects.
- The Rebuild Ukraine Fund managed by Dragon Capital will close at USD 250m; IFC, EBRD and Norfund have contributed USD 65m.
- Ukraine updated its subsoil regulations to meet the framework of the US-Ukraine Reconstruction Investment Fund; the fund is expected to top USD 200m in 2026.
- Denmark launched the Ukraine Transition Support Programme with a budget of EUR 375m.

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

Additionally, national initiatives in over 15 countries in Europe, North America and Asia encourage their domestic companies to participate in Ukraine's reconstruction.

Risk insurance and investment guarantees

Q4 2025 announcements:

- Ukraine passed legislation providing procedures for compensation for war damage and war-risk insurance premiums.

The insurance market in Ukraine addresses war risk with a sophisticated 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 this comprehensive guide: [Protecting business in Ukraine](#).

Government of Ukraine programmes

Q4 2025 announcements:

- Ukraine introduced a programme of tax-based compensation for capital investments at an expected value of up to EUR 800m.
- Ukraine created the National Development Institution, a state bank to finance business recovery, including support for relocation and reconstruction.
- The Ukrainian Startup Fund has funded 57 startups, with 90% of grant recipients still operating.

Foreign investors can directly access debt instruments from the National Bank of Ukraine (NBU). Rules for public-private partnerships (PPPs) with both federal and regional governments offer improved guarantees for private partners. State support is available for qualifying foreign investments. 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
- Decarbonization Fund and the Ukrainian National Decarbonization Platform
- 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 now a significant player in the global defence sector. Domestic production has accelerated year-on-year, with exports growing and more than 25 foreign firms localising production in Ukraine. Expertise in drone systems has led to initiatives with over 21 international partners and investments by US and EU partners in Ukrainian firms. Supported by BraveTech, the EU–Ukraine platform for defence-tech innovation and Ukraine's favourable tax and legal regime for defence manufacturers, Ukrainian defence startups attracted over USD 105m in 2025.

Q4 2025 announcements:

- The Netherlands established the Dutch Defence Cluster in Kyiv, a platform to unite Dutch and Ukrainian defence technology manufacturers.
- Ukrainian startup Swarmer has raised USD 18m for its AI-based drone swarm technology.
- Ukraine and Norway launched a EUR 20m programme to support defence startups.
- Ukraine will open its first arms export offices in Berlin and Copenhagen in early 2026.

Energy and renewables

Despite being the target of Russian attacks, Ukraine's energy sector is its largest-performing industry, and Ukraine is transitioning to renewables and smart systems at scale. In 2025, wind and solar capacity grew, with over one gigawatt of new solar generation commissioned. Electricity exports increased by 180%, including new biomethane exports to Europe, and Ukrainian energy companies are developing battery and energy storage tech.

Q4 2025 announcements:

- Chernivtsi Solar (Ukraine) will construct the largest solar power facility in Western Ukraine, with a planned 250 MW capacity and USD 120m total investment.
- UM Liquid Gas began shipping liquefied biomethane to Germany, the fourth Ukrainian company exporting biomethane to Europe.
- The UK and Ukraine announced over USD 22m of investments in Ukrainian green technologies as part of phase two of the InnovateUkraine programme.

Logistics and transportation

New investment continues to expand Ukraine's ports and container terminals, cross-border logistics terminals and rail connections. While Black Sea ports set a record for container handling during the war, overland connections with Europe and related logistics saw the most investment in 2025. Warehouse construction reached record levels, with 250,000 m² of new warehouse space announced and capacity in Kyiv returning to pre-war levels.

Q4 2025 announcements:

- The Polish government will invest over EUR 57m to develop road and rail infrastructure in regions bordering Ukraine.
- Fishka-Nov (Ukraine) opened its new multimodal logistics terminal near the Romanian border.
- Ukrainian Railway resumed freight transit between Turkey and the EU.
- International shipping firm Meest is investing USD 30m to build the largest logistics hub in Western Ukraine.
- Norfund (Norway) will invest USD 10m to expand warehouse capacity at the M10 industrial park in the Lviv region.

Manufacturing and industrial parks

In 2024, Ukraine launched legislation and financial incentives for industrial parks, resulting in more than 110 facilities now listed in the Register of Industrial Parks. European, North American and Asian companies are investing in production facilities in Ukraine, notably for steel, glass, lumber and building materials. New Ukrainian factories are adopting green innovations and expanding Ukraine's domestic processing industries.

Q4 2025 announcements:

- Kovalska Industrial and Construction Group commissioned stage one of its EUR 100m autoclaved aerated concrete plant in the Lviv region.
- The Korosten MDF Plant opened a EUR 40m bio-glue manufacturing facility in the Zhytomyr region.
- Heavy equipment manufacturer Budshlyakhmash will construct a USD 40m complex in the Kyiv region to produce automobile frames.
- Torgtehnika Cardboard and Paper Factory will invest USD 26m in an Ecological Initiatives industrial park in the Vinnytsia region.
- Dionis Biogas Energy will invest USD 19m in its Eco Park in the Zhytomyr region.

Agriculture and agro-processing

Ukraine is the fourth-largest food supplier to the EU, with exports of USD 5.37bn, and in 2025 Ukraine became the EU's leading supplier of corn and India's top supplier of sunflower oil. Investments in grain silos, vegetable storage facilities, rail cars and related logistics is enabling faster exports and driving expansion of seed, fertiliser and pesticide production. Domestic processing is growing, with new facilities for potatoes, frozen vegetables, fruit and berries coming online.

Q4 2025 announcements:

- Diligent Capital Partners (Ukraine) and 2ndAries (Netherlands) launched Food4Impact, a EUR 150m fund to support domestic agribusiness in Ukraine.
- Chornomorskyi Solezavod completed the construction of its USD 2.8m salt production facility to supply more than 50% of Ukraine's domestic market.
- Goodvalley (Denmark), the leading pork producer in Ukraine, has invested EUR 55m in infrastructure and logistics.
- Avesterra (Ukraine) opened its EUR 60m poultry processing plant in Volyn.
- The EUR 14m Feednova Center feed additives plant is the first project to receive compensation for its engineering and transportation infrastructure under Ukraine's Industrial Parks programme.

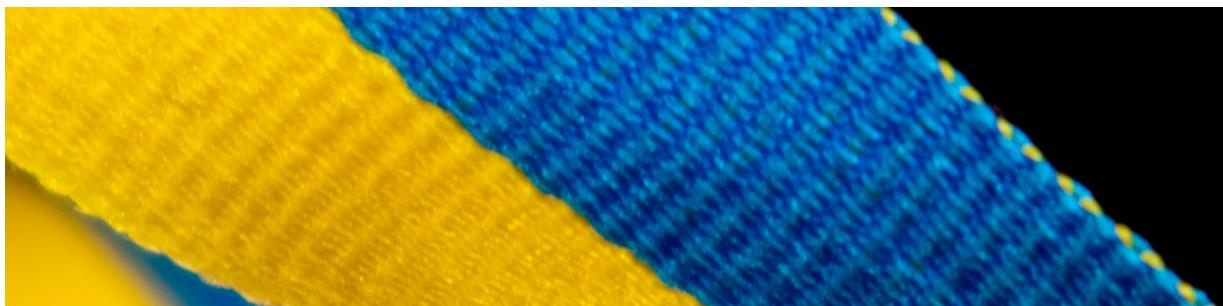
A new European partner

Q4 2025 announcements:

- The EU confirms that Russian occupation of Ukrainian territories will not hinder Ukraine's accession to the EU, identifying transitional measures that could apply.
- Ukraine completed the screening of its national legislation for EU compliance, the last step before official membership negotiations.
- The European Commission announced Ukraine has fulfilled all requirements to begin accession negotiations on Clusters 1, 2 and 6: Fundamentals, Internal Market and External Relations.
- An updated Deep and Comprehensive Free Trade Area (DCFTA) agreement between the EU and Ukraine entered into force.

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, including Horizon Europe, Creative Europe and Digital Europe.
- 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 negotiations with EU.
- Ukraine's product monitoring regulations meet EU requirements for industrial visa-free travel.



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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CMS Can Help

We are helping companies inside and outside Ukraine, multinational and Ukrainian, 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

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