

# Ukraine's Path to Recovery and Development

Report includes insights into Strategic Funding, Private Sector Instruments, and Technical Assistance

April 2025

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Leveraging our long experience in collecting, analysing, and interpreting data, alongside creating tangible and data-based recommendations for public and private actors.

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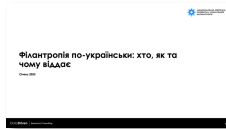
Applying deep knowledge of Ukrainian politics and business to benefit our clients. Paving out a way for the world to deal with Ukraine and Ukrainian enterprises to open the world.



...with expertise in the private and public sector...

Our recent public reports include:

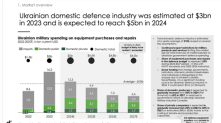
- Overview of the giving culture in Ukraine (January 2025)



- Cybersecurity market in Ukraine (January 2025)



- Ukrainian defence technology market (September 2024)



...and works with a wide range of clients:



**Donors: IFIs, DFIs, and Development Agents**  
(Monitoring & evaluations, social changes & ToC)



**Development Consulting**  
(Data collection, market consulting, market entry)



**Enterprises**  
(Market analysis, partnership facilitation, risk assessment, due diligence)



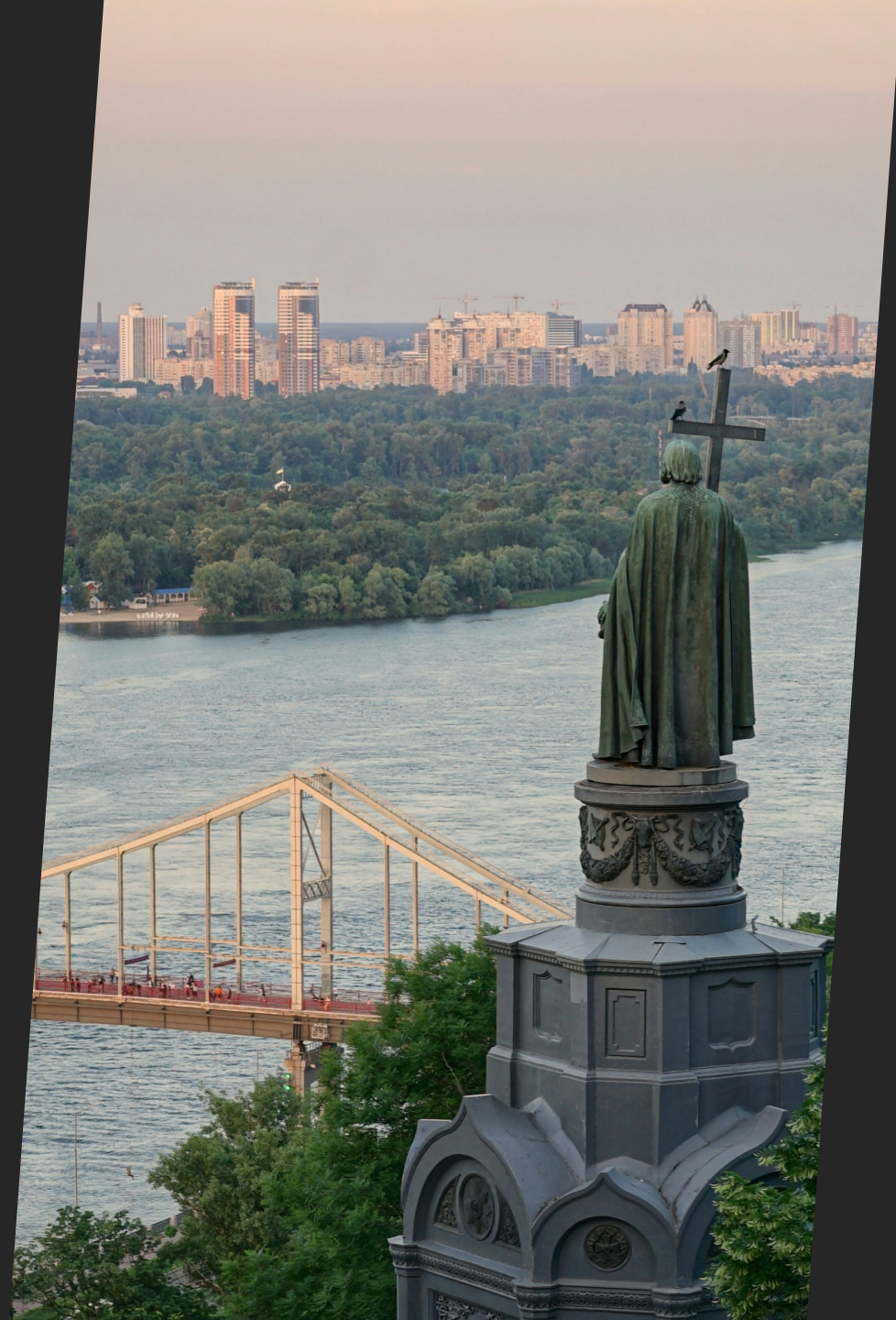
**NGOs & Civic Society**  
(Social research, communications, hypothesis validation, access to funding, strategy development)

**We help organisations progress and achieve better outcomes.** Our services range from full-cycle research — from concept through to analysis and policy recommendations — to specific data collection services, encompassing both quantitative and qualitative methods.

Our diverse portfolio includes collaboration with prominent international donors (USAID, UNICEF, JICA, KfW, Fondation de France, Mott Foundation, etc) as well as Ukrainian governmental bodies (Ministry of Foreign Affairs, Ministry of Defence, Ukrainian Institute, etc).

Our expertise covers a spectrum of sectors, including defence technology, cybersecurity, humanitarian demining, energy, construction, finance, HoReCa, agriculture, showcasing our capability to manage complex projects effectively and deliver outcomes in multiple sectors.

Our work spans a wide range of areas, from social cohesion and early recovery to youth and displacement. Our portfolio covers diverse challenges, such as addressing housing needs for internally displaced persons (IDPs) in Kherson, evaluating cultural cooperation between Ukraine and Kenya, assessing programmes that empower vulnerable youth in Ukraine, and measuring the legacies of war impacted Ukrainian refugees across Europe, consulting on European Integration to improve national policies.



# We are grateful to all organisations that contributed to our overview research\*





# Vocabulary

## List of Acronyms

**ID** – International Development  
**DFIs** – Development Finance Institutions  
**ITA** – International Technical Assistance  
**ODA** – Official Development Assistance  
**FfD** – Financing for Development (UN)  
**SOCAP** – Social Capital Markets  
**SDGs** – Sustainable Development Goals

**CoE** – Council of Europe  
**EC** – European Commission  
**DAC** – Development Assistance Committee  
**IFC** – International Finance Corporation  
**WB** – World Bank Group

**CSOs** – Civic Society Organisations  
**SMEs / SMBs** – Small and Medium Enterprises or Businesses  
**MFI** – Micro-Finance Institutions  
**INGOs** – International Non-Governmental Organisations  
**NGOs** – Non-Governmental Organisations  
**PPPs** – Public-Private Partnerships  
**SIB** – Social Impact Bond  
**FDI** – Foreign Direct Investment  
**ECAs** – Export Credit Agencies

**Funders** – States, individuals and institutions providing financial support  
**Donors** – Foundations or organisations funding development projects  
**Implementers** (Implementing Partners) – Entities executing development projects  
**Experts** – Specialists or mission-driven implementers  
**Beneficiaries** – Recipients of development aid and assistance  
**Contractors** – Organisations or individuals hired to carry out specific tasks in development ecosystem

# Our perspective on the International Development market in Ukraine

**Development & Recovery Efforts in Ukraine** – are global initiatives led by public and private stakeholders, including organisations and individuals, dedicated to Ukraine's economic recovery, development, and social prosperity in response to the Russian-Ukrainian war.

## This includes:

**Supporting Ukraine's state budget** by addressing deficits and economic stability needs.

Deploying private sector instruments to **reduce risks, enhance affordability, and attract investment** for Ukraine's recovery. Direct financing of both public and private projects.

**Technical Assistance** that consist of:

- (1) **Humanitarian aid:** Emergency response, demining, refugee and IDP support, and addressing critical social needs such as food security and housing.
- (2) **Development assistance:** Strengthening key economic sectors, enhancing state resilience, and facilitating early recovery efforts.

## Key Highlights

### 1. Fiscal Stability Support

**Ukraine's fiscal stability depends on external aid**, with 75% of the financial needs covered by foreign financing. To cover social expenditures, the country relies on loans and grants from partners like the EU, G7, and IFIs. The EU alone has pledged €38.3 billion to the state budget under the Ukraine Facility Plan, conditional on reform milestones.

### 2. Investment Instruments

Ukraine's recovery strategy **in 2025 prioritises private sector mobilisation**, using de-risking tools to attract capital. A new architecture — including the €40 billion target for Ukraine Investment Framework to provide guarantees, concessional loans, and risk insurance to stimulate investment. DFIs, IFIs (e.g., EBRD, IFC), and ECAs are actively funding SMEs, infrastructure, and green transformation through blended finance models.

### 3. Technical Assistance

The **focus of international assistance** is shifting from short-term humanitarian aid **to mid- and long-term development programming**. As humanitarian intensity declines, technical assistance now targets institutional reform, economic resilience, and capacity-building. Most new projects engage the private sector and local governance structures. Recent **USAID withdrawal** from foreign assistance market severe impact on Ukraine's development assistance leading to **budget reductions and cutting programmes**.

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# 1. Induction





# International development is driven by treaties and crises, seeking for global economic stability and growth

**International Development** – is a targeted use of public finance, regulatory frameworks and human capital to enhance economic or human development indicators, or to support state capacity of another country.

## Drivers of International Development

Developed countries participate in major international treaties and agreements that outline their commitments to development-related issues, including financial contributions.

These include **Financing for Development (FfD), Official Development Assistance (ODA), Sustainable Development Goals (SDGs)**.

OECD DAC countries are expected to allocate **0.7%** of their **GNI** to foreign aid (United Nations' target).

Additionally, they engage in international agreements focused on the recognition of human rights, social issues, and duties of states, such as the **International Bill of Human Rights**, the **1951 Refugee Convention**.

The volume of aid to developing countries is growing annually. In 2023 ODA reached a record-high volume of **\$258.4 billion**.

## Objectives

<b>Fiscal Stability</b>	  
<b>Social Security</b>	   
<b>Market Development</b>	     
<b>Development &amp; Disaster</b>	   
<b>Other</b>	    

# Growing scepticism worldwide towards development assistance leading to budget reductions

In 2025, Trump's return to office, Europe's constrained budgets, and a heightened focus on security are reshaping the landscape of official development assistance.

In January 2025, President Donald Trump signed an executive order initiating a 90-day pause of USAID work, leading to disruptions in global aid efforts. In February, US announced termination of 83% of USAID programmes.

The UK's overseas aid spending is projected to fall to 0.36% of gross national income (GNI) in 2024, reaching its lowest level since 2007.

In 2024, Germany reduced its international development spending by almost €2 billion compared to 2023, marking one of the largest cuts across government portfolios.

France's ODA reached \$15 billion in 2023, a decrease of 13% compared with the previous year (-\$2.1 billion in real terms).



The **increasing** influence of **conservative** and **far-right populist movements** worldwide has **contributed to growing scepticism towards international development aid**, leading to budget cuts and policy shifts that prioritise national interests over global equality.

# Multi-sectoral approach and funding versatility improve aid provision

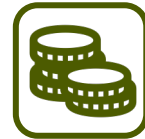
Different International Development activities span across many areas such as:

- **Capacity-Building & Financial Inclusion** (fiscal stability, competitiveness, etc. );
- **Economic Infrastructure & Empowerment** (energy, communication, transportation, logistics, migration);
- **Civil Society & Reforms** (legal reforms, open government, transparency, good governance);
- **Social Infrastructure** (healthcare, education, sanitation, food security).

### Programme Examples



### Variety of Tools are Used



**Grants**  
Non-repayable funding



**Loans**  
Repayable funding (low interest or long-term)



**Guarantees**  
Risk sharing mechanisms



**Private Capital**  
Private sector-focused funding



**Blended Finance**  
Combined public and private capital

Development finance **tools can take various forms**, but its primary goal is to foster sustainable social and economic growth.

### Aid Provision Approaches are Diverse

#### Geographical Focus



#### Thematic Focus



### UN Humanitarian Cluster System / Cross-Cutting Issues

 <b>Food Security</b>	 <b>Education</b>	 <b>Shelter</b>	 <b>Health</b>	 <b>Age</b>	 <b>Environment</b>
 <b>CCCM*</b>	 <b>Nutrition</b>	 <b>WASH*</b>	 <b>Emergency Telecom</b>	 <b>Gender</b>	 <b>HIV/AIDS</b>
 <b>Early Recovery</b>	 <b>Protection</b>	 <b>Logistics</b>			

# The SDGs pave a global path to a balanced and equitable future by 2030



## Framework

- Adopted in September 2015, the SDG framework **guides financial interventions** to drive sustainable development both in private and public sector.
- Each actor (states, enterprises) develops **programmes independently**, using SDGs to shape policies and funding priorities for development.
- The **UN facilitates financing**, attracting investments and aligning global financial flows with SDG objectives.
- The **Funding Framework enhances transparency and efficiency**, ensuring effective resource allocation under the 2030 Agenda.
- Strengthening global collaboration, it **fosters multi-stakeholder partnerships** for sustainable financing.
- A **catalyst for economic growth**, the framework accelerates progress toward achieving the SDGs worldwide.



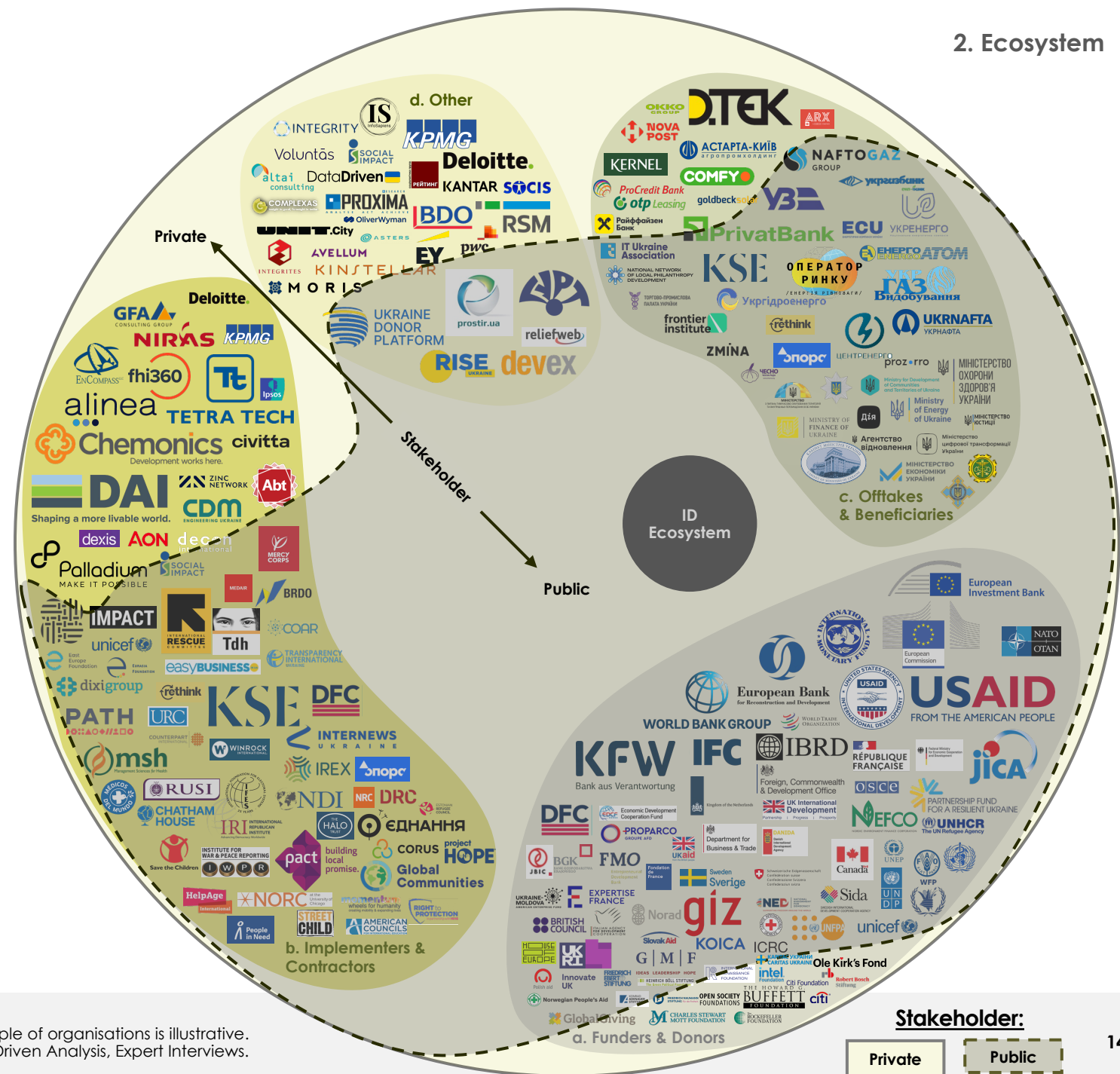
## 2. Ecosystem of Development Stakeholders in Ukraine



# ID Ecosystem in Ukraine

Ukrainian international development ecosystem is currently in the formation stage. The following characteristics can be identified:

- 1. The development ecosystem is primarily led by public institutions**, including public donors, local ministries, governmental agencies, and state-owned enterprises.
- 2. A broad mix of stakeholders from different industries and sectors contributes to development efforts in Ukraine.** This includes IFIs, CSOs, and private sector players that can either support or benefit from public development projects.
- 3. Ukraine is entering a critical phase where the engagement of DFIs is expected to increase**, strengthening the role of private sector in development and fostering sustainable economic growth.



# Key funders & donors are public organisations, mostly governmental bodies, committed to support state’s capacity in another country



## International Development Finance Institutions

- IFIs and DFIs;
- Multilateral or single-state development banks;
- Government-backed finance institutions.



## Multilateral & International Organisations

- UN Agencies;
- Organisations such as IMF, the WTO, the ICRC;
- Military or security alliances like NATO;
- Can operate as multilateral or bilateral entities.



## Bilateral Institutions

- Development agencies;
- Embassies;
- Foreign ministries;
- State’s target bodies.



## Philanthropic / Private Foundations

- Private philanthropies;
- Corporate foundations;
- Legacy funds;
- Diaspora foundations.



## Others\*

- Private investment banks, equity funds, venture capitalists, and impact investors.



# World Bank – is a family of five development finance institutions



## THE WORLD BANK

**The World Bank Group (WB)** – a family of five international organisations that make leveraged loans & grants to developing countries.

Belongs to multilateral development banks to fund programmes and projects.

With 189 member countries, the World Bank Group is a unique global partnership fighting poverty worldwide through sustainable solutions.

Focused on large infrastructure projects, the bank integrates poverty reduction efforts, social development, and policy-based lending.

## World Bank structure

**IBRD**

**International Bank for Reconstruction and Development** – Provides loans at market rates to states.

**IDA**

**International Development Association** – Grants and interest-free loans to the poorest countries.

**IFC**

**International Finance Corporation** – Private-sector investment and loans.

**MIGA**

**Multilateral Investment Guarantee Agency** – Investment risk insurance to foster FDI\*.

**ICSID**

**International Centre for Settlement of Investment Disputes** – Arbitration for disputes.



# World Bank efforts in Ukraine since full-scale invasion

## In Ukraine, WB Coordinate:

### Funds

- Public Expenditures for Administrative Capacity Endurance (**PEACE**), worth **\$35,566 million**. Multi-donor funding.
- Advancing Needed Credit Enhancement for Ukraine Trust Fund (**ADVANCE Ukraine**), worth **\$8,500 million**. Backed by Japan.
- Financing of Recovery from Economic Emergency in Ukraine (**FREE Ukraine**), worth **\$2,252 million**. Key contributors: US, Japan.
- Ukraine Relief, Recovery, Reconstruction, and Reform Trust Fund (**URTF**), funded with \$250 million, currently committed for: **\$1,921 million**. Funded by: Multi-donor funding, ~16 States.
- **F.O.R.T.I.S. Ukraine FIF**, worth **\$1,000 million**.

### Programmes & Projects

- Health Enhancement and Lifesaving (**HEAL**) Project
- Restoration Project of Winterization and Energy Resources Ukraine
- Repairing Essential Logistics Infrastructure and Network Connectivity (**RELINC**) Project
- Housing Repair for People's Empowerment (**HOPE**) Project
- Ukraine Agriculture Recovery Inclusive Support Emergency (**ARISE**) Project
- Lifting Education Access and Resilience in Times of Need (**LEARN**) in Ukraine Program
- Resilient, Inclusive, and Sustainable Enterprise (**RISE**) Program
- Strengthening Government Capacity for Fiscal Reform Implementation (**STRONG**) Project
- Transforming Healthcare through Reform and Investments in Efficiency (**THRIVE**) Program
- Supporting Reconstruction through Smart Fiscal Governance (**SURGE**)
- Investing in Social Protection for Inclusion, Resilience, and Efficiency (**INSPIRE**) Project IPF
- Growth Foundations Development Policy Operation (**DPO**)

Some **budget figures might overlap** (sums counted twice if one fund allocate funds to another)

**47.7b**

Total **disbursed**  
USD in 2022-2024  
by World Bank  
Group

**>57b**

Total **mobilised**  
USD in 2022-2024  
by World Bank  
Group for Ukraine

# URTF by World Bank Group

## Ukraine Relief, Recovery, Reconstruction and Reform Trust Fund (URTF)

- is a multi-donor trust fund aimed at supporting the Government of Ukraine as it addresses the relief and the subsequent recovery of the country, driven by critical needs from the ongoing war.

# URTF

## \$1.9b\*

Committed countries



Coordinated by



WORLD BANK GROUP

### Comments

- The Ukraine Relief, Recovery, Reconstruction, and Reform Trust Fund (URTF) provides **grant funding to sustain Ukraine's government functions**, essential public services, and infrastructure reconstruction, while supporting economic stability and key reforms.
- URTF prioritises energy restoration, transport and logistics repair, housing reconstruction, healthcare, agriculture, education, and private sector recovery.

# IMF is crucial for the fiscal stability of Ukraine



The **International Monetary Fund (IMF)** works to achieve sustainable growth and prosperity for all of its 191 member countries.

The history of relations between the International Monetary Fund and Ukraine began in **1995**, and since then there have been **9 Standby arrangements** and **3 Extended Fund Facility programs**.

After the full-scale invasion, the IMF was the **very first to provide funds** under the **Rapid Financing Instrument (RFI)**. Later, the Extended Fund Facility Program was introduced, which has so far passed a historic seven reviews.

## Extended Fund Facility

Intended for countries experiencing significant **medium- to long-term challenges** due to structural weaknesses that require time to resolve.

It spans **3–4 years**, features a **longer repayment period**, and **prioritises comprehensive structural reforms**.

For 2025, Ukraine has asked the IMF to **reduce the volume of tranches**, given the positive situation with payments under other programmes, so that these funds **can be stretched to 2026-2027**.

The Eighth Review of the programme is scheduled for **June 2025**, and Ukraine has already failed to meet the deadline for some of the markers that will be evaluated.

≈\$15.5b



**will be provided to Ukraine** under the **Extended Fund Facility**, approved in 2023

# UN efforts in Ukraine

United Nations, have a network of 16 agencies, plays a crucial role in global development, particularly in addressing gaps left by large donors. These agencies operate across various sectors.

## Key UN Agencies and Their Focus Areas



	<p>Child welfare, education, health, and protection.</p>	 <p>Food and Agriculture Organization of the United Nations</p>	<p>Food security and agricultural development.</p>		
	<p>Nutrition and food security.</p>		<p>Coordination of humanitarian interventions*.</p>		
	<p>Support for internally displaced people and refugees.</p>		<p>Project management, procurement, and infrastructure services.</p>		<p>Support reproductive and maternal health.</p>
	<p>Health and disease prevention.</p>		<p>Capital funding &amp; remittances.</p>		<p>Cultural heritage preservation.</p>
	<p>Urban housing and infrastructure development.</p>		<p>Addressing poverty and inequalities.</p>		<p>Displacement and migration.</p>



# EU is a strategic partner for Ukraine's recovery & development



The **EU institutions**, including the **Council and Parliament**, approve strategies, while the **Commission propose and executes them** through its **Directorates-General (DGs)**.

The **European Commission** is responsible for implementing EU policies, setting strategic frameworks, and managing financial instruments.

**European Commission is progressively becoming an important player in global development**, balancing emergency response, sustainable development, and geopolitical influence.

## In Ukraine

The **EU development** programmes delivered to Ukraine **are designed as assistance for EU Integration** and aligning with EU policies (i.e. European single market).

The **EU ecosystem includes** a wide range of actors, such as the **European Commission's** Directorates-General (**DGs**), the **EU Delegation to Ukraine** (which is part of the European External Action Service – **EEAS**), the **European Council**, the **European Investment Bank (EIB)**, and others.

At the **legislative and policy** level, the **Council of the European Union** (also known as the Council of Ministers) and the **European Parliament** play a significant role in shaping EU law and policy, alongside the **European Commission**, which holds the exclusive right to propose legislation.

The **EU Delegation in Kyiv** has been strengthened, with **30-40% of its staff focused on monitoring development cooperation**.

# Ecosystem of the EU bodies for Ukrainian development

EU development efforts targeting Ukraine broadly fall into two overlapping domains.



These two dimensions are not mutually exclusive: integration efforts often incorporate post-war recovery needs, and war-related support is frequently delivered in ways that accelerate EU-aligned reforms.



The **DGs** function as specialised executive bodies, each with a specific mandate.

Each **DG** has a **defined area of responsibility**, ranging from trade and agriculture to digital development and humanitarian aid. Some serve as coordination bodies across sectors.

Regarding **Ukraine**, the EU upgraded its engagement by establishing a dedicated **Ukraine Directorate** within newly\* formed **DG ENEST** (formerly part of the DG NEAR).

As Ukraine's EU commitments: (1) **Obligations**; (2) **Association** and (3) **Integration** – progresses, collaboration with most DGs is expected to deepen and expand, paving the way for more structured engagement, sectoral alignment, and policy convergence.

# Key EU bodies and mechanisms for Ukraine

## Directorates-General\*

## Focus

## Role

<p><b>DG ENEST</b></p>	<p><b>Neighbourhood and Enlargement</b></p>	<ul style="list-style-type: none"> <li>• Manages the <b>EU's financial and technical</b> assistance to enlargement partners and Eastern Neighbourhood countries</li> <li>• DG ENEST.D (Ukraine Service) Leads <b>Ukraine's EU integration process</b>, aligning policies and institutions with <b>EU standards</b>.</li> <li>• <b>Funds Ukraine's resilience and reforms via Ukraine's Facility</b>, focusing on its recovery and reconstruction through <b>the Ukraine Donor Platform</b>.</li> </ul>
<p><b>DG ECHO</b></p>	<p><b>Civil Protection &amp; Humanitarian Aid</b></p>	<ul style="list-style-type: none"> <li>• Funds <b>emergency response, humanitarian assistance, and early recovery efforts</b>.</li> <li>• Plays a key role in <b>energy security, disaster relief, and resilience projects</b> in Ukraine.</li> </ul>
<p><b>DG ECFIN</b></p>	<p><b>Fiscal Stability &amp; Financial Affairs</b></p>	<ul style="list-style-type: none"> <li>• Oversees <b>macro-financial assistance to partnering countries</b>, ensuring Ukraine's economic stability and access to EU financial markets.</li> <li>• Supports budget assistance and financial sector recovery.</li> </ul>
<p><b>EEAS</b></p>	<p><b>Delegation of the EU to Ukraine</b></p>	<ul style="list-style-type: none"> <li>• Facilitates EU-Ukraine relations through political dialogue with government institutions.</li> <li>• <b>Monitors</b> the implementation of <b>the EU-Ukraine Association Agreement</b>.</li> <li>• <b>Oversee EU external assistance programs</b> and supporting their implementation in Ukraine.</li> </ul>

The **European Commission** implements and sets the EU priorities, with **Directorates-General** acting as implementation bodies. Following the war, Ukraine was upgraded to a **Directorate within DG ENEST (former DG NEAR)**, reflecting its priority. The **EU Delegation in Kyiv** was strengthened, with **30-40% of staff monitoring development cooperation**. The **Council and Parliament approve strategies**, while the **Commission executes them** through its DGs.

# Top bilateral funders are USAID, JICA, EC, GiZ and FCDO

## Largest Bilateral Donors



## Mid & Small Size Bilateral Donors



- Direct Government-to-State Funding**  
 Bilateral aid flows directly from government sources to recipient states, unlike multilateral aid, which is channelled through agencies with their own programmes.
- Strategic Influence**  
 Major donors shape recipient policies in line with their foreign affairs and economic interests, with key figures operating within diplomatic and government structures.
- Strict Compliance & Oversight**  
 Funding typically comes with extensive reporting and accountability requirements, though some branches operate more flexibly.
- Market Concentration**  
 The top five bilateral donors\* control the largest budgets, driving global development priorities and long-term funding commitments.

# Some bilateral donors establish target-use multilateral funds

## Partnership Fund for a Resilient Ukraine (PFRU)

– a multi-year, multi-donor funded programme managed by the UK's Foreign, Commonwealth and Development Office (FCDO) and governed in collaboration with the Government of Ukraine.



~\$120m

Implemented by



Managed by



Committed countries



# Private funders & donors can act in a various forms

## Ukrainian Trends

- Two main cashflow types: (1) some private foundations co-fund other public-donor and their programmes, (2) other foundations run own programmes.
  - Those private funders and donor who present in the fields – mostly work directly with the beneficiary.
  - Private donors are flexible and stable, quick to respond to beneficiaries' requests and responsive.

77%

of Ukrainians, consider **the role of philanthropy** in human development **as important**, as it helps **solve problems overlooked by the state.**

## Multilateral Blended\* Private Donor Funds



## Single Corporate Donor Funds



## Single Individual/Family Donor Funds






# Implementers and contractors are entities responsible for executing development projects, delivering technical expertise, infrastructure, or services under donor or government funding

Segment	Examples	Comments
<b>Generalist Consulting</b> (Private Owned)		<ul style="list-style-type: none"> <li>Operate as <b>for-profit consultancies</b> delivering technical assistance, research, and program implementation.</li> <li>Typically, <b>employee-owned</b> or private equity-backed, influencing their long-term strategies.</li> <li>Often lead large-scale development projects funded by USAID, World Bank, and IFIs.</li> </ul>
<b>Mission-Driven</b> (Public Owned)		<ul style="list-style-type: none"> <li>Are <b>mission-driven</b>, focusing on policy, education, and research-backed interventions.</li> <li><b>Non-profit</b> organisations or universities that contribute to capacity-building, research, and social programs.</li> <li>Can act as subcontractors or technical advisors for donor-funded initiatives.</li> </ul>
<b>Technical Experts</b>	 <p>Other regional engineering &amp; construction firms</p>	<ul style="list-style-type: none"> <li><b>Deliver infrastructure</b>, water management, and reconstruction projects.</li> <li>Typically contracted for emergency &amp; early recovery, and public works.</li> <li>Work as contractors with target-specific funds, USAID, FCDO, JICA, EU development programs for large-scale infrastructure projects.</li> </ul>

# Government, CSOs, and Private Sector as key offtakers and beneficiaries in development

**Offtakes** – entities or organisations that procure, utilise, or directly absorb the outputs of a development or reconstruction project. These can include government agencies, businesses, or institutions that receive and operationalise the funded infrastructure, services, or resources.

 **Example:** A Ukrainian state energy company receiving funding through the Ukraine Energy Support Fund to restore grid infrastructure.

**Beneficiaries** – the end-users or affected populations who directly experience improvements from a project or programme, often in terms of social, economic, or humanitarian impact. Beneficiaries can be individuals, communities, or businesses supported by aid, infrastructure, or policy interventions.

 **Example:** Households benefiting from the Housing Repair for People's Empowerment (HOPE) Project, receiving assistance to rebuild war-damaged homes.



## Three core offtakes and beneficiaries in development sector

### Government

Governmental bodies receive technical, financial aid or expertise to cover state's functions

### CSOs

CSOs of various type receive financial aid (usually grants) to maintain its activities and promote its mission.

### Private Sector

Private sector, typically business, receive small grants or low-interest loans for development their operations.

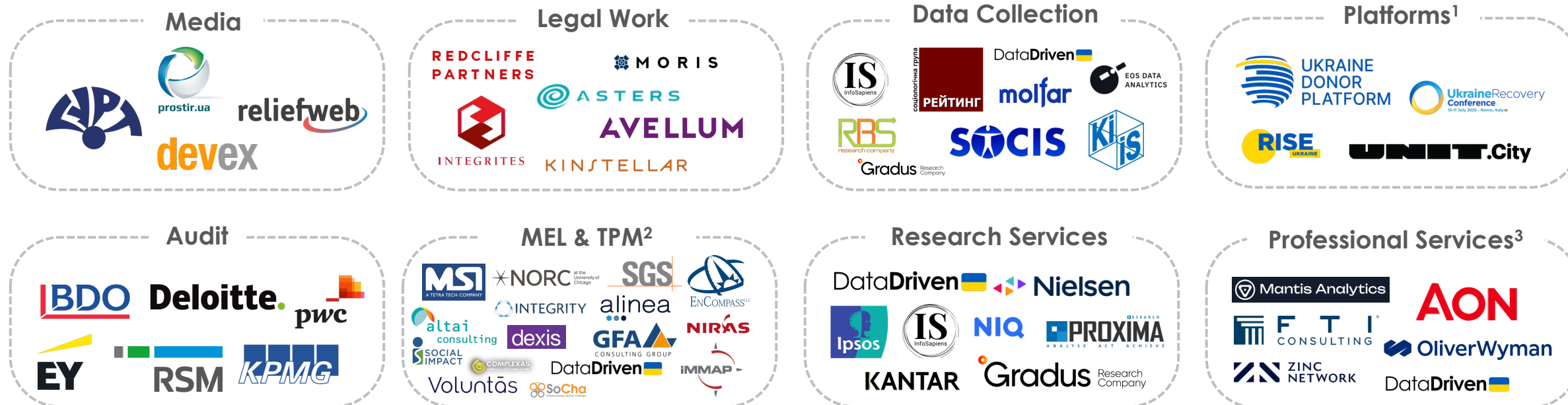
# Key offtakers and beneficiaries by sector

<b>Government</b>	<b>Government</b>	<b>Central</b>	
	<b>Local</b>		
	<b>State Owned Enterprises</b>		
<b>CSOs</b>	<b>Networks</b>		
	<b>Agents of Change</b>		

<b>Private Sector*</b>	
<b>Business</b>	
<b>Energy</b>	
<b>Banks</b>	
<b>Agro</b>	
<b>Other</b>	

# Ukraine has a well-developed ecosystem players that boost efficiency and impact of development efforts across the country

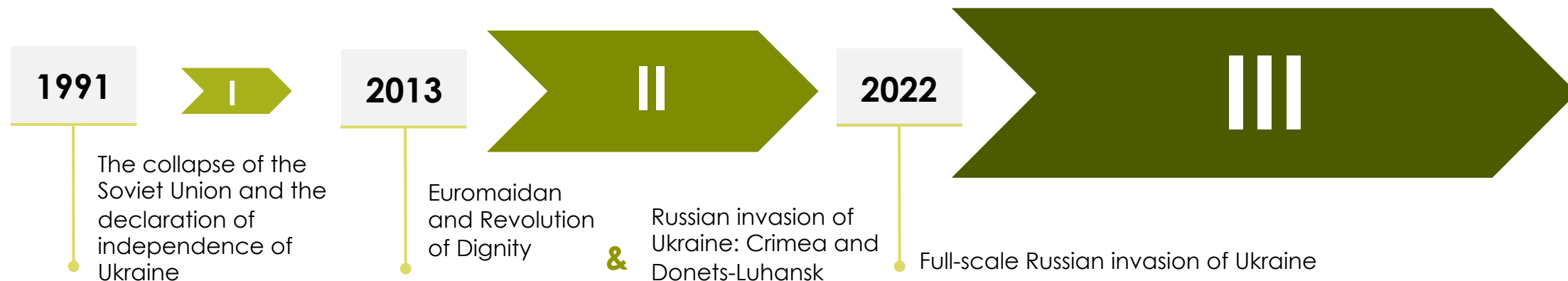
**'Other' ecosystem players** – stakeholders involved directly or indirectly for implementation of projects, each contributing for efficiency and well-delivery of development projects.



# 3. Development Market Overview



# Timeline of Ukraine's Development Trajectory



- The Ukrainian development process has faced various internal and external challenges, each with specific demands and targets to address.
- Since 1991, **Ukraine launched development efforts, initially guided by the Washington Consensus**, which included privatisation and reduced government intervention in the economy. Privatisation in Ukraine began in the 1990s, accelerating in the 2000s.
- **In 2010-2013, international support for development efforts declined** due to the democratic backsliding under Viktor Yanukovich.
- **In 2014**, the Euromaidan and Revolution of Dignity required to mitigate the **fiscal instability in Ukraine**, which IFIs helped to stabilise through emergency funding and long-term economic support measures. Simultaneously, Russia's invasion of Donetsk and Luhansk regions, as well as the annexation of Crimea, triggered a **humanitarian crisis**, prompting international partners to provide aid and relief efforts.
- The Revolution of Dignity demonstrated the strength of Ukrainian civil society and marked a decisive shift towards European integration, leading to increased foreign development support for Ukrainian CSOs.
- Since the full-scale Russian invasion **in February 2022**, Ukraine's international partners have played a crucial role in **addressing emergency needs, mitigating economic instability, and reinforcing the state's institutional capacities**.



# Russia's invasion devastates Ukraine's people, infrastructure, and economy

The Office of the High Commissioner for Human Rights has recorded ~ **34,000 Ukrainian civilian casualties**, including more than **11,200 civilian deaths**.<sup>1</sup>

Ukraine is now **the most mined country in the world**, with potentially **23 percent of its land at risk** of contamination with landmines & explosives.

World Bank estimates **reconstruction** needs projected at **\$524 billion** over the next decade.<sup>2</sup>



More than **6.2 million people have left abroad**, and **few millions remain internally displaced**. Loss of private sector jobs and income, risks to food security, high inflation, and **asset losses have reversed 15 years of improvements in living standards**.

**More than a fifth of adults** who were working before the invasion **lost their jobs**.

**Two-thirds of households have neither savings nor labour income**.

A third of families reported modifying or skipping meals altogether.

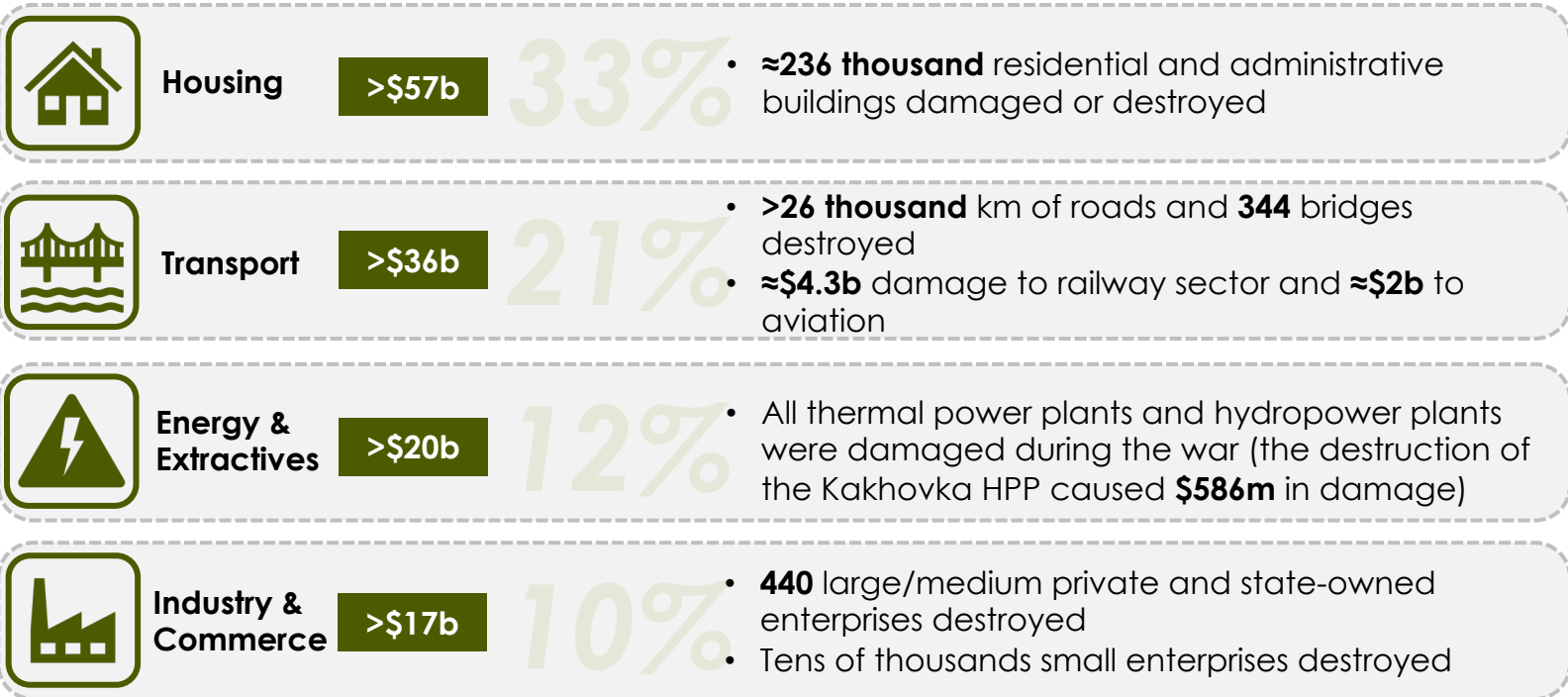
New analysis using national poverty lines and 2023 data indicates that **three of every ten Ukrainians now live in poverty**, meaning some **\$1.8 million newly poor since end-2021**.



# The war caused billions of dollars in losses across sectors, particularly in the housing

For almost three years of full-scale war, **Ukraine's direct losses have totaled\*** : **≈\$176b**

## Most damaged sectors



>**4800** cultural sites damaged or destroyed (including Sviatohirsk Lavra, Mariupol Drama Theater and many others)



>**210 thousand** private vehicles damaged or destroyed



# Ukraine's need for recovery is vital and partners are committed to it

In 2025, in its RDNA4 report, the World Bank estimated the necessary costs for Ukraine's recovery over the next ten years at **\$524 billion**. As the war continues, this figure is constantly growing.



To make the rebuilding of Ukraine transparent and effective, the government has launched the **DREAM ecosystem**, where users can monitor the implementation of recovery projects.

Most of the projects are currently at the **concept stage**, and the financial coverage of the estimated budget equals **15%**.

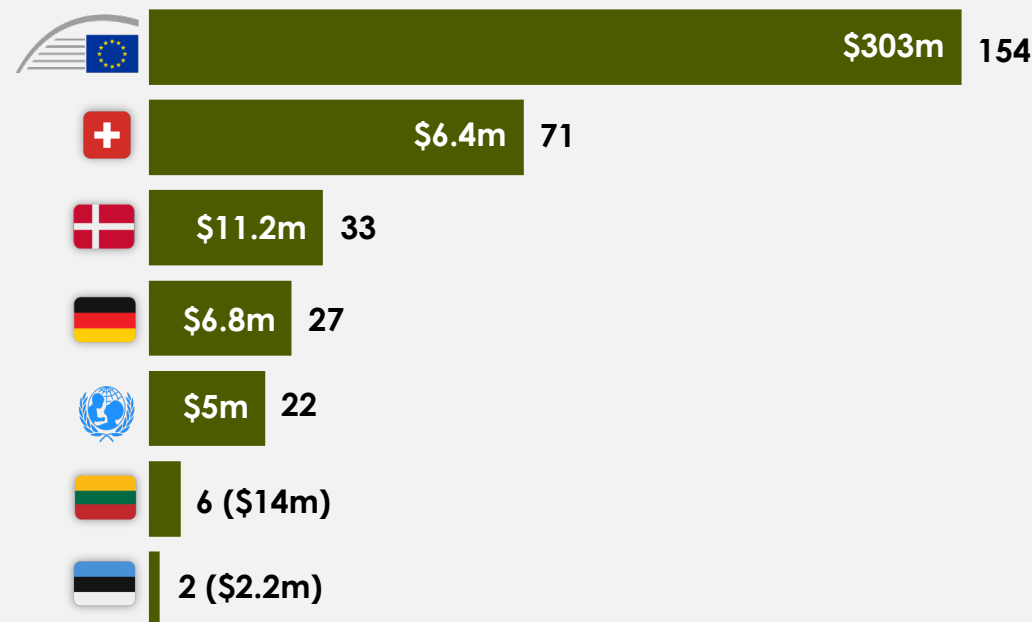
Majority of **projects** are located in Kyiv (**1679**) and Kharkiv (**980**) oblasts, while other oblasts are of more equal importance (except for Luhansk oblast and Crimea).

**\$17.7<sub>b</sub>** Total planned reconstruction budget via DREAM

**\$2.6<sub>b</sub>** Currently funded

## Foreign partners' contribution to recovery projects

By number of projects, data provided by DREAM platform



Projects mostly target 10 sectors of the economy: **Education** (38.7%), **Health Care** (14.6%), **Industry** (12.6%), **Water, Sanitation, Waste management** (13%), **Transportation** (8.1%), **Public Administration** (5.1%), **Social Protection** (3.5%), **Energy** (3.8%), **IT** (1%), **Agriculture** (0.4%)

# Ukraine's recovery model is unique with a fundamentally different experience

## Development in Ukraine is a global endeavor



After breaking away from the Soviet bloc and integrating into the global economy, and acceding to the EU in 2004 Poland became one of the **largest economies in Central Europe**, with the Polish economy growing by **x5** from 1990 to 2018. Poland is the only European country that managed to mitigate successfully the crisis of 2007-8.



Another country that left the Warsaw Pact and showed an incredible **tenfold GDP growth**. Having integrated into the global economy and joined the EU in 2007, the country is a target for foreign direct investment. The country's main problem remains its public debt, which stood at **58.5%** in 2024.



The prolonged war has a negative impact on the Ukrainian economy and creates **huge reconstruction needs** (524 billion, RDNA4). However, the country has great potential for private investment in **agriculture, trade, industry, banking and housing**. Policy reforms and deeper integration with the EU will facilitate greater **private sector involvement** and **sustainable reconstruction**.

## Development, Recovery & Reconstruction: Same but Different

### Traditional Development

Long-term progress focused on economic growth, market economy, institutional reforms, and social security.

### Ukraine's Recovery

Unlike standard post-war social recovery, Ukraine rebuilds amid war, balancing resilience, defence and social protection. It's about restoring life, adapting to security risks, and shaping a wartime economy.

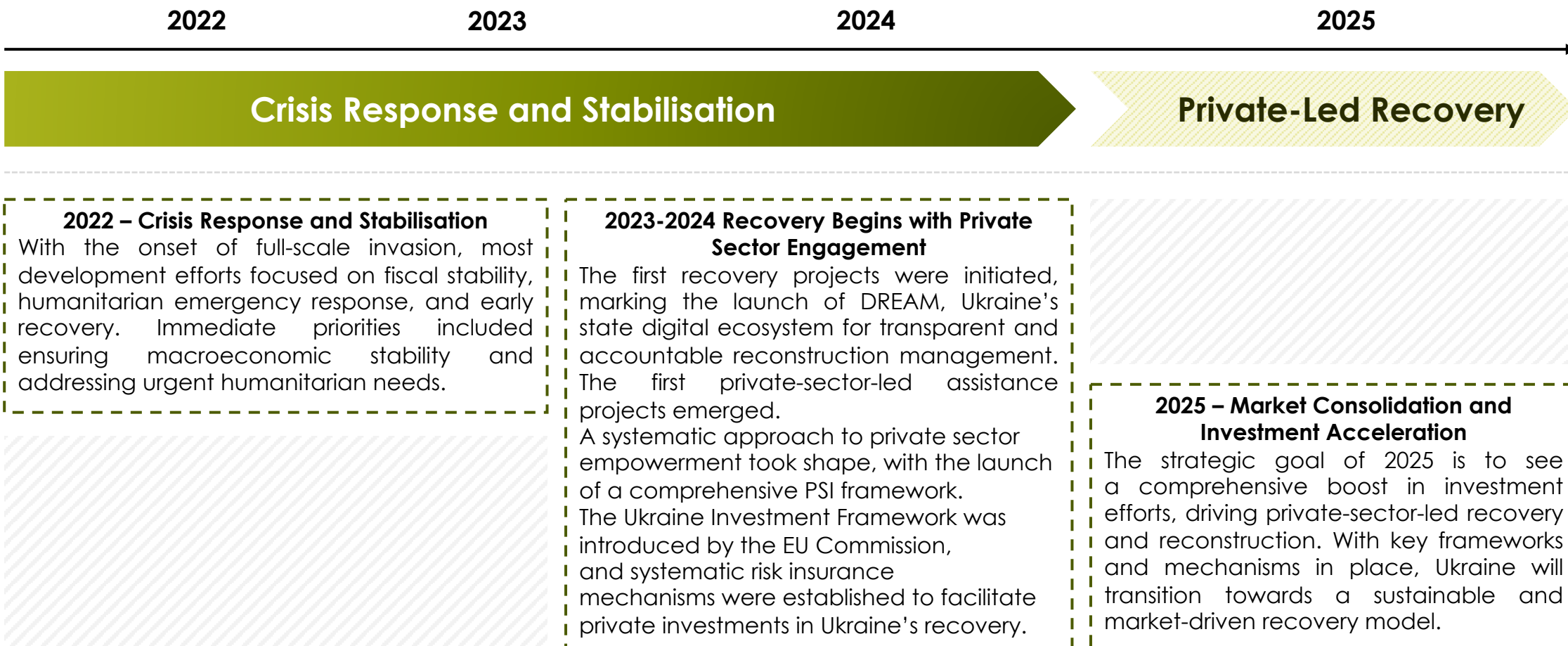
### Post-War Reconstruction

Systematic rebuilding: restarting industries, housing construction, restoring public services, reintegrating displaced populations. Growth accelerates as security improves.




- **Development** is targeted at long-term strengthening of state capacities.
- **Recovery** is focused on social security, resilience and adopt to security risks.
- **Reconstruction** is more construction-heavy.

In the Ukrainian context, these three processes are inseparable, as the country must simultaneously rebuild and develop under the conditions of an ongoing war.

# 2025 – is expected to be a year of private-led recovery



# Ukraine's development and recovery framework can be seen as the combination of three key dimensions

Area	Description	Size*
<b>A</b> Fiscal Stability Support	<ul style="list-style-type: none"> <li>Grants &amp; loans to government to maintain fiscal stability.</li> <li>Support to reforms needed for the EU accession, for recovery, reconstruction and modernisation, also supporting urgent financial needs.</li> </ul>	
<b>B</b> Investment Instruments	<ul style="list-style-type: none"> <li>De-risking mechanism for private sector, available to investors through IFIs to scale up investments, and crowd in new investors.</li> <li>Also includes the sovereign-guaranteed loans to state players (state enterprises).</li> </ul>	
<b>C</b> Technical Assistance	<ul style="list-style-type: none"> <li>Technical assistance to the government (EU acquis, structural reforms).</li> <li>Capacity building of the authorities at national, regional and local level, Support to civil society.</li> <li>Includes development programmes and humanitarian response.</li> </ul>	

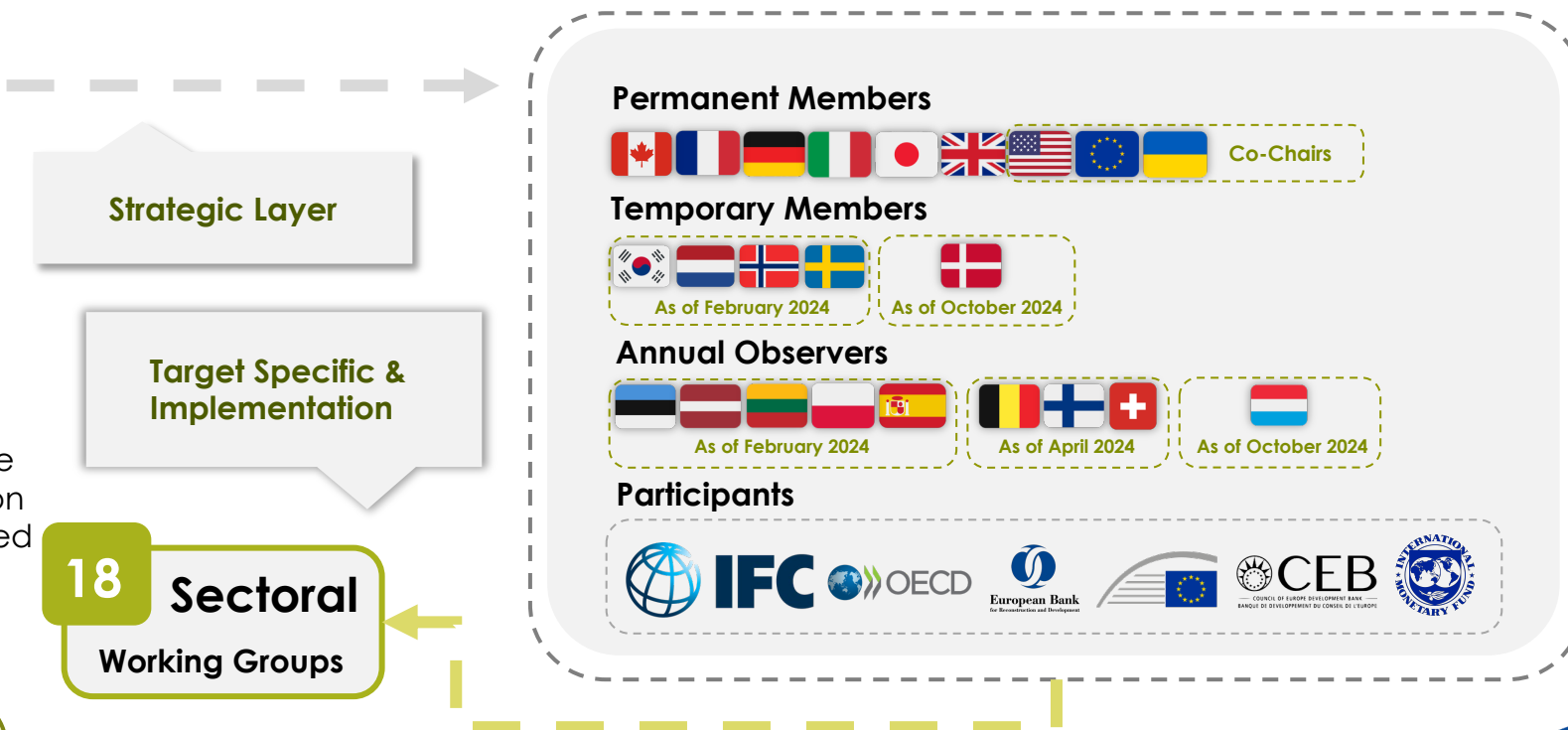


# Ukraine Donor Platform is the key strategic body to coordinate foreign assistance



The Ukraine Donor Platform was established by G7 leaders on 12 December 2022.

The Platform's mandate is to coordinate the support for Ukraine's immediate financing needs and future economic recovery and reconstruction across different sources and established instruments for financing, complementing existing tracks.



In practice, many requests between the beneficiary and the donor are resolved manually through bilateral communications with embassies and other correspondence.

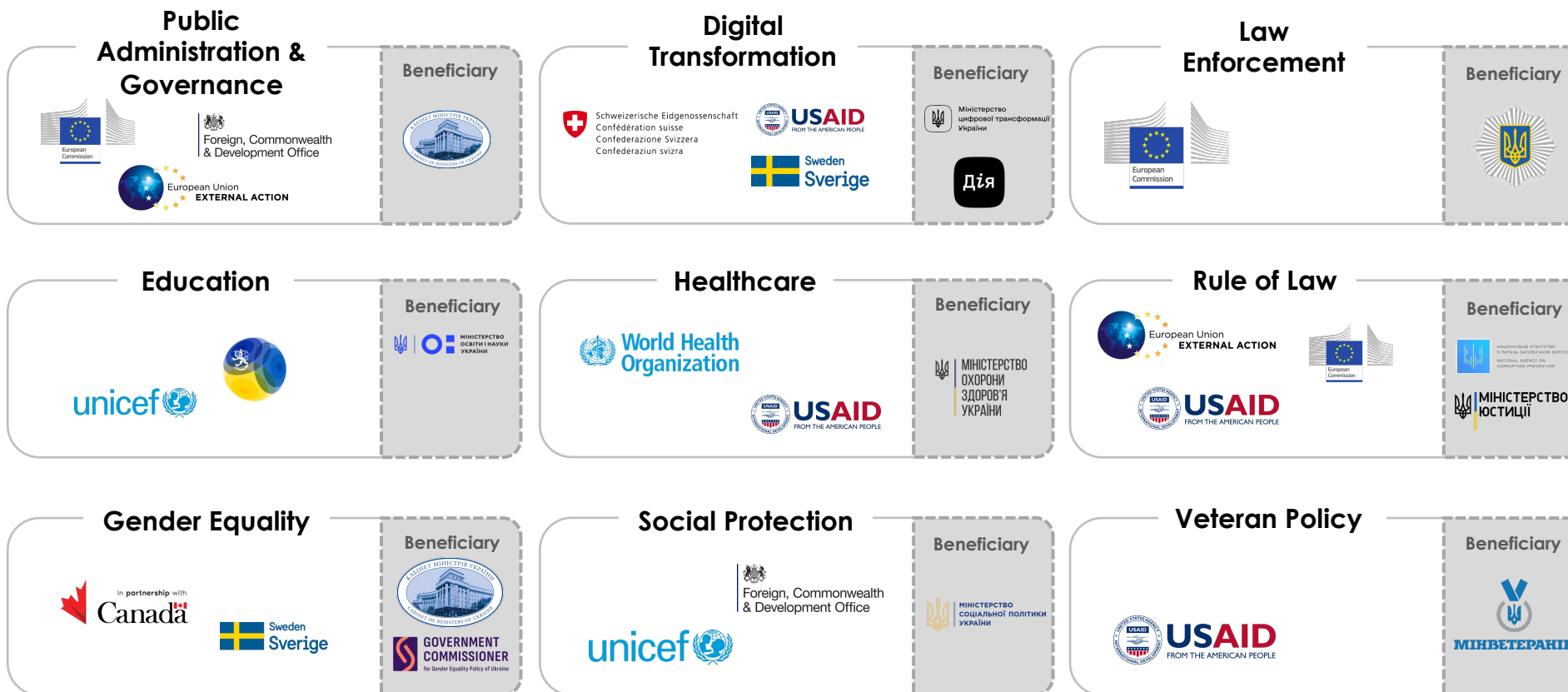
The **coordination of international assistance** is provided for by the **Resolution of the Cabinet of Ministers of Ukraine dated 15.02.2002 №153**

The **CMU Secretariat is responsible for the administration of the ITA**



# Sectoral working groups are key platforms for formal donor coordination

## SWGs and its players [1/2]



In 2025, following Trump's arrival, the **U.S. announced the termination of 83% of USAID programmes**. As a result, the **ecosystem** of key international donors **may undergo significant changes by the end of 2025**.

The **sample** of organisations illustrated **includes** only those **explicitly mentioned** by the Secretariat of the **Cabinet of Ministers** of Ukraine.

However, the list of Sectoral Working Group (SWG) members is not limited to these organisations.

# Sectoral working groups are key platforms for formal donor coordination

## SWGs and its players [2/2]

**Public Finance & Investment Management**

**Beneficiary**  
 MINISTRY OF FINANCE OF UKRAINE

**Economic recovery, industry and SMEs**

**Beneficiary**  
 МІНІСТЕРСТВО ЕКОНОМІКИ УКРАЇНИ

**Agriculture**

**Beneficiary**  
 Міністерство аграрної політики та продовольства України

**Humanitarian Mine Action**

**Beneficiary**  
 Demine Ukraine  
 МІНІСТЕРСТВО ЕКОНОМІКИ УКРАЇНИ

**Energy**

**Beneficiary**  
 Ministry of Energy of Ukraine

**Regional Recovery & Decentralisation**

**Beneficiary**  
 Ministry for Development of Communities and Territories of Ukraine

**Climate & Environment**

**Beneficiary**  
 МІНІСТЕРСТВО ЕКОНОМІКИ УКРАЇНИ  
 Міністерство цифрової трансформації України  
 Ministry of Environmental Protection and Natural Resources of Ukraine

**Housing & Utilities**

**Beneficiary**  
 Ministry for Development of Communities and Territories of Ukraine

**Transport & Logistics**

**Beneficiary**  
 Ministry for Development of Communities and Territories of Ukraine

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# A. Fiscal Stability Support



# There are three main sources for state financial needs

**Fiscal Stability Support** – refer to government's demand for external financial aid to sustain the state budget. In Ukraine's context this need is largely shaped by ongoing challenges, such as the impact of the war, negative migration and displacement, economic volatility, the need to rebuild infrastructure and to support displaced population.

## Key instruments



### Grants

Funds donated by a government, organisation or institution that are designated for a specific purpose and have strict requirements and are **not meant to be repaid**. Mostly allocated towards social purposes.



### Loans

Money lent by a government or an organisation that **must be repaid** after a certain period of time.

Loan is often used to stabilise the economy, finance large projects, or provide liquidity.



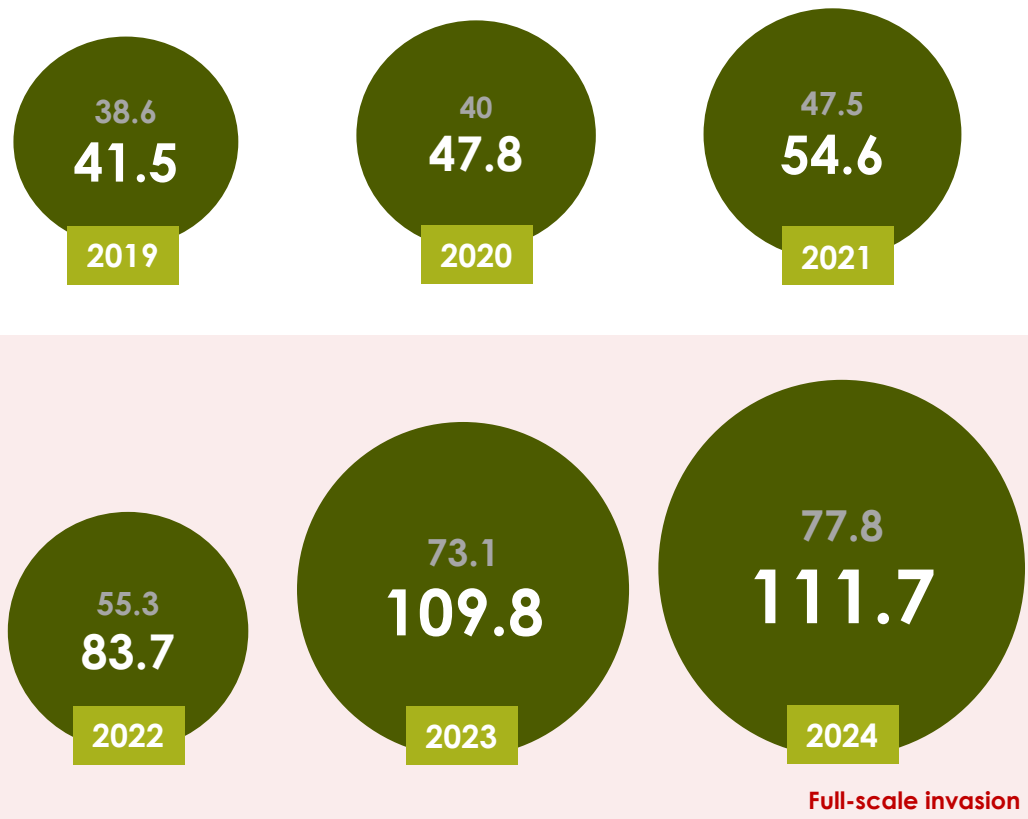
### Bonds

Securities used by the government to raise additional funds for the budget. This is a low-risk investment, the government is **obliged to return the revenue to depositors with interest**. These bonds are highly liquid and can be easily sold on the secondary market.

# Ukraine's budget has shifted towards defence, increasing reliance on external financing for non-military needs

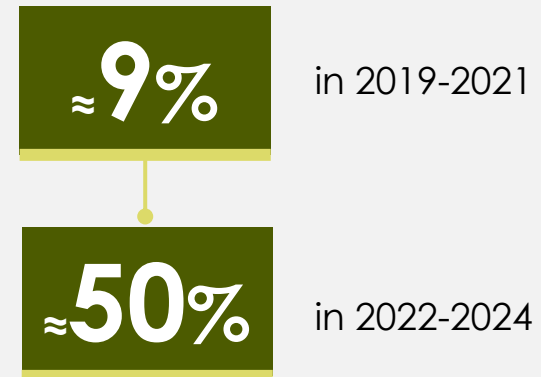
## Annual state budget of Ukraine

In billion USD, total revenue (grey) to expenditures\* (white)

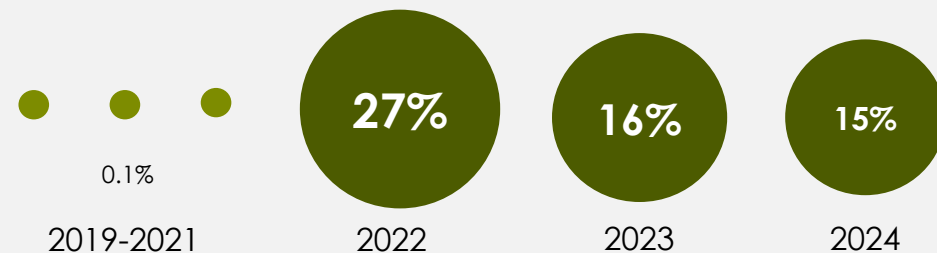


Since the beginning of the full-scale invasion, 100% of tax revenues began to be directed to the army, so Ukraine requires funds from partners for non-military expenditures.

## Share of defence expenses



## Share of external financing in the budget

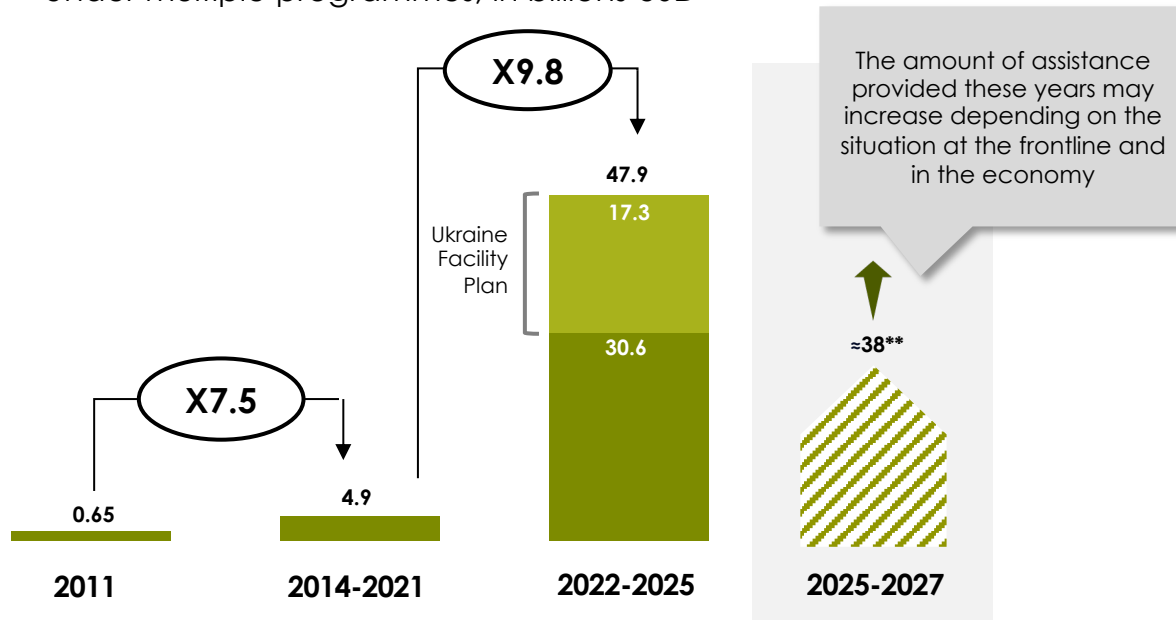




# Since the invasion, Ukraine's reliance on foreign aid has grown, with the EU as the top donor

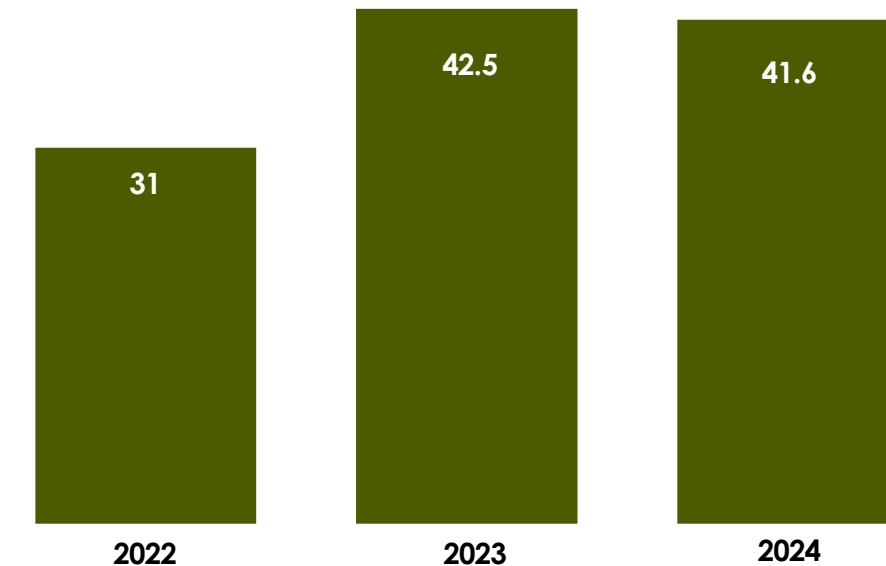
## Amount of financial assistance from the EU

Under multiple programmes, in billions USD\*



## Wartime financial assistance to Ukraine

In total from partners, in billions USD



**Dec 2024**

Recorded the biggest amount of financial assistance that reached \$9.3 billion.

Financial assistance commitments from partners to Ukraine's state budget will be reassessed based on the geopolitical and frontline progress.

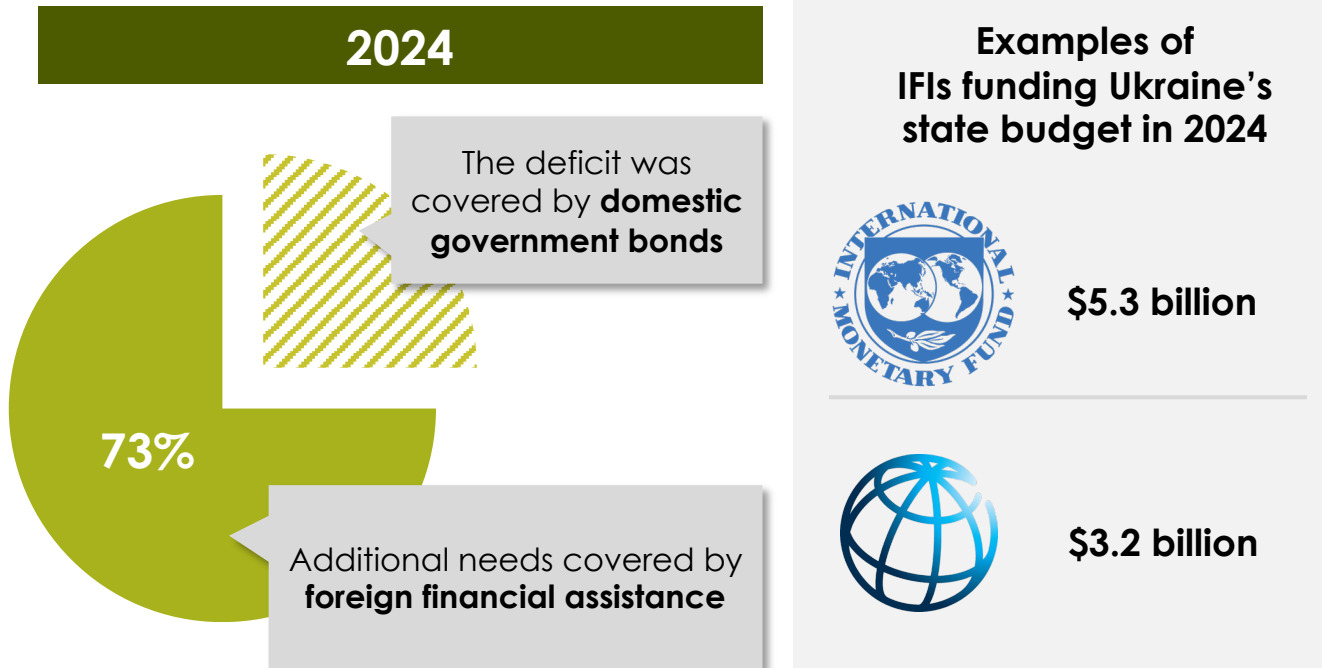


The European Union is the top donor of financial assistance to state budget of Ukraine

**€38.3b**

Will be transferred to the state budget by 2027 under the EU Ukraine Facility Plan

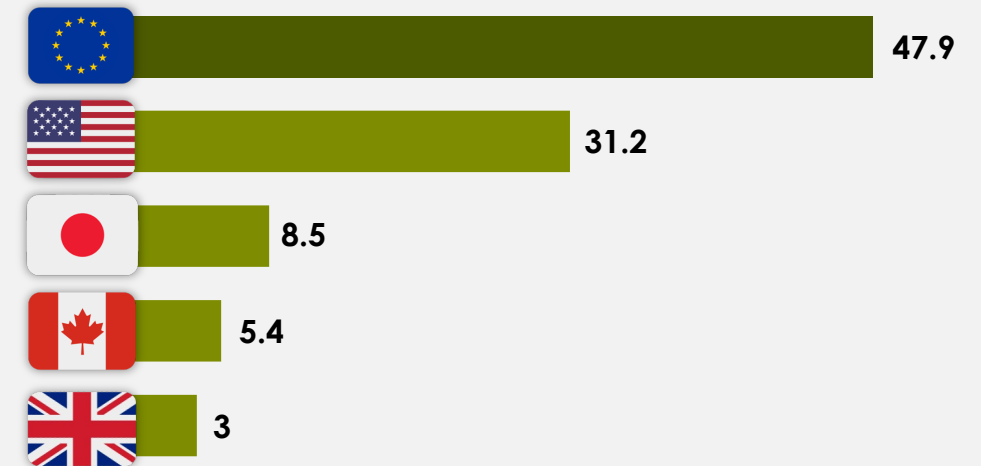
# The amount of foreign assistance inflows helps to meet most of the budgetary needs



In 2024, G7 leaders introduced the **ERA** (Extraordinary Revenue Acceleration Loans for Ukraine) mechanism, allocating approximately **\$50 billion** from Western partners to Ukraine. This funding **will not be added to Ukraine's national debt** and will not require repayment **unless Russia agrees to pay reparations**.

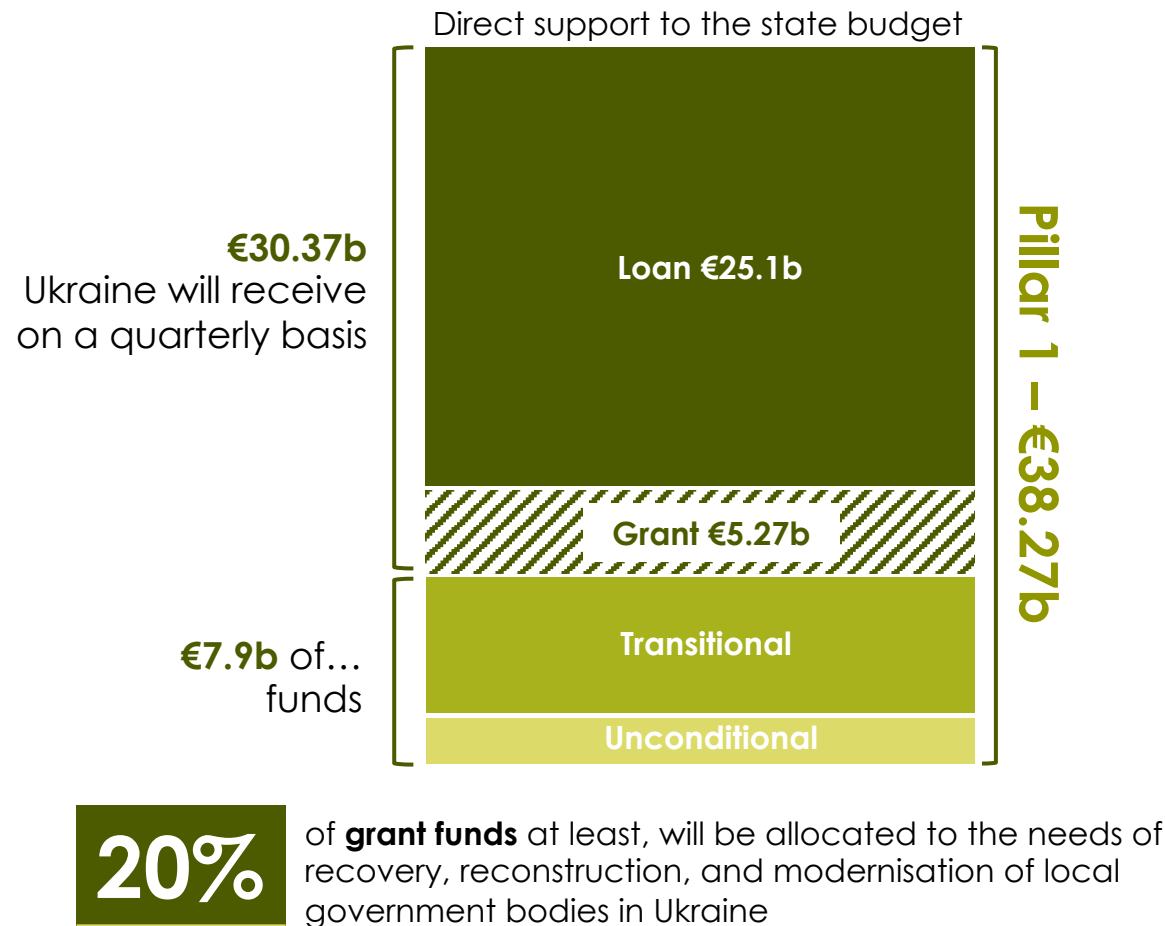
## Largest suppliers of foreign financial assistance to Ukraine\*

From 2022 to 2025, in billion USD



**These funds cannot be used for military provision**

# Ukraine will benefit both from funds allocated by Facility Plan and sequential reforms



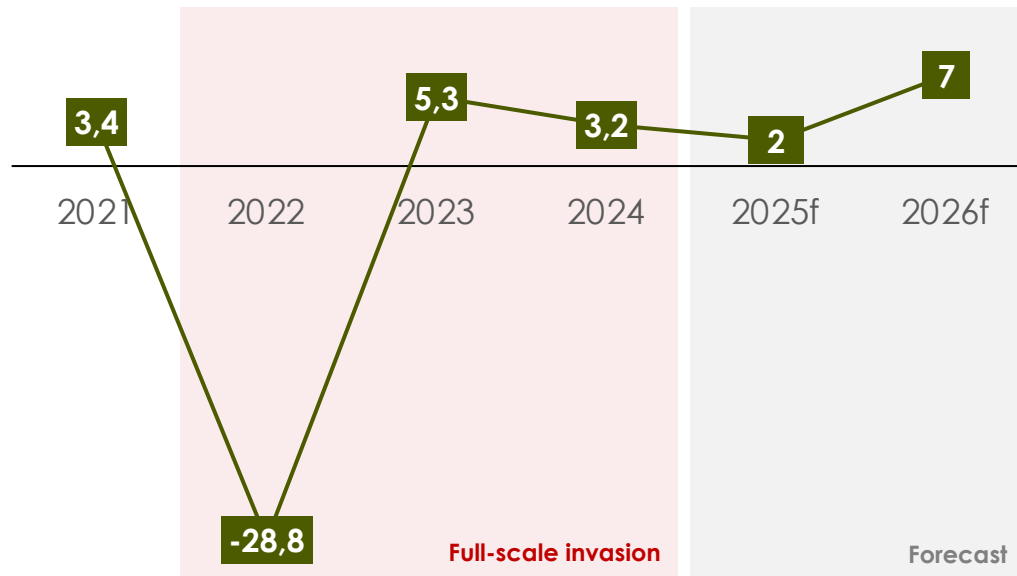
## Ukraine Facility Plan

- Provides the **financial assistance to government of Ukraine** from the EU.
- Sets out minimal realistic requirements for **Ukraine's accession to the EU**. Requirements were proposed by Ukraine.
- Funds could be used to bolster Ukraine's resilience against future challenges.
- The Plan has very strict deadlines, if the reforms are not implemented on time, the funds will not be received.
- **Ukraine is already facing with minor problems on deadlines.**
- Despite the large amount of funding provided by the ERA, the Facility Plan is still incredibly important to implement.

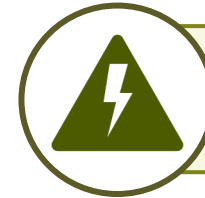
# Ukraine's economy shows signs of resilience and recovery amidst ongoing war

## Annual real GDP growth\*

%, Global Economic Prospects



Forecast by World Bank\*\* for 2025 and 2026 assumes that Russian aggression continues through 2025 and ceases in 2026. However, depending on the war's progression, the actual figures may vary.



**Power outages** a serious obstacle to economic growth, yet Ukraine has shown remarkable resilience.

**12%**

inflation rate as of December 2024, Year over Year.

**\$43.8<sub>b</sub>**

of Ukraine's International Reserves. Growth of this figure is attributed to foreign aid.

**≈\$20<sub>b</sub>**

of Eurobonds restructured, reducing amortisation and interest payments by \$7.6b between 2025 and 2027.

# B. Investment Instruments



# Main tools aimed to support private sector growth

**Investment Instruments** – refer to financial tools and mechanisms used by donors to mobilise resources for development objectives in both private sector and state-owned enterprises via:

## Key instruments

### Risk Insurance

Providing **protection against financial losses** caused by currency inconvertibility, government interference, and political violence.

### Equity Investments

**Capital provided to businesses in exchange for partial ownership**, often used to foster innovation, expansion, and long-term growth.

### Guarantees

Legal **commitments** by a third party **to cover** a loan or financial obligation **if the borrower defaults**, reducing risk for lenders and investors.





### Loans

**Sovereign loans** to state-backed enterprises, **interest concession** or **improving credit terms** to make financing accessible for private sector.



Support **grant funding** for SMBs falls **under technical assistance** and is not classified as Investment Instrument.

# Unpacking the layers and actors of PSIs in development finance

Layers	Examples	Key Notes	Average Ticket
<p><b>Highest</b></p> <p><b>IFIs</b></p>		<ul style="list-style-type: none"> <li>Large-scale multilateral development institutions that can provide sovereign loans and loans for private sector development both directly and via intermediaries (DFIs, Local Banks).</li> <li>IFIs can co-finance projects as major-funder in partnership with DFIs as minor-funder; or directly invest in infrastructure projects.</li> </ul>	<p><b>10M+</b></p>
<p><b>Middle</b></p> <p><b>DFIs</b></p> <p>-----</p>		<ul style="list-style-type: none"> <li>Single-state development intermediaries, channelling funds from IFIs &amp; other type of donors, into private sector investments.</li> <li>Can provide direct investments, guarantees, or blended finance to businesses.</li> <li>Can work with local banks or funds to increase outreach.</li> <li>There are currently &gt;15 DFIs active in Ukraine.</li> </ul>	<p><b>\$3-10M</b></p>
<p><b>ECAs</b></p>		<ul style="list-style-type: none"> <li>ECAs are typically single-state agencies that operating on national levels to foster and help local business trade with countries in-risk.</li> <li>Do provide export guarantees financing, trade risk insurance, private sector de-risking guarantees for its national enterprises.</li> </ul>	<p><b>Varies, typically large-scale</b></p>
<p><b>Lower</b></p> <p><b>Local Banks &amp; Financial Intermediaries</b></p>		<ul style="list-style-type: none"> <li>Receive credit lines, guarantees, or blended finance from DFIs or IFIs.</li> <li>Distribute funding to SMEs, infrastructure projects, and local businesses.</li> <li>Sometimes, governments on-lend funds from IFIs through local financial institutions.</li> </ul>	<p><b>&lt;\$5M</b></p>



# There are four leading stakeholders for Ukrainian private sector empowerment: **EC, EIB, EBRD and IFC**



European Commission provides mandates for financial institutions such as the EIB and EBRD, channeling EU funds and directly distributes funding via various financial tools, e.g. Ukraine Investment Framework.



EIB raises funds from the capital markets and the EU budget in order to finance infrastructure projects, municipal transport, energy, and credit lines for banks.



EBRD receives funding from its shareholder states and its own operations, lending it to energy security, sustainable infrastructure, agribusiness, commerce, SMEs and the financial institutions.



IFC is the World Bank Group organisation to foster private sector investments in agribusiness infrastructure, energy, digital technologies, and businesses in partner countries.

# The role of the European Commission in empowering Ukraine's private sector

## Priority Focus

- **Regulatory convergence** with EU standards, reducing trade barriers.
- **SME modernisation** through digitalisation and capacity-building.
- **Export development** for integration into EU and global markets.
- **Facilitation of private-sector investment** in Ukraine's recovery and reconstruction.

## Delivery Channels

- Partnering with local financial institutions to increase outreach.
- Providing grant facilities for accession/technical assistance.
- Coordinating with IFIs & DFIs to maximise impact.

## Tools and Programs

- **EU4Business\***: grant and loan instruments for SMEs.
- **EFSD+**: guarantees and blending mechanisms that reduce risks for private investors. Cooperates with EIB, EBRD, etc.
- **Technical Advisory**: implementing digital solutions, improving production efficiency, etc.

## Impact

- Via **EU4Business**, over **71,000 Ukrainian SMEs** received grants, concessional loans, and advisory support, strengthening business resilience and market integration.
- **EFSD+ guarantees** reduce investment risks, attracting private sector funding.
- A stronger **business ecosystem** ensures long-term **economic recovery, job creation, and competitiveness** aligned with EU standards.



## Comments

The **European Commission (EC)** supports.

- In 2024 launched the **Ukraine Investment Framework**. Fund targeting for increasing private sector engagement in recovery efforts.
- Utilisation of **PSIs** to stimulate medium-large businesses and ensure technical assistance **grants** for SMEs.
- Allocation happening via EU frameworks and programmes.

# Ukraine Investment Framework aims to mobilise €40 billion for Ukraine's recovery

## Implementation & Partnerships



## Main Tools

- Capital market instruments any other form of funding or credit enhancement
- Equity or quasi-equity participation
- Loans, including local currency loans
- Guarantees
- Counter-guarantees
- Insurance & Reinsurance

## Funding Specifics

- Guarantees and grants: €1.5 billion in financial support and €7.8 billion in guarantees covering 70% of risks.
- 20% of funds are allocated for **green transformation** (climate protection, environmental initiatives).
- 15% of funds are allocated to support **startups and SMEs**.

## Opportunities for MSMEs

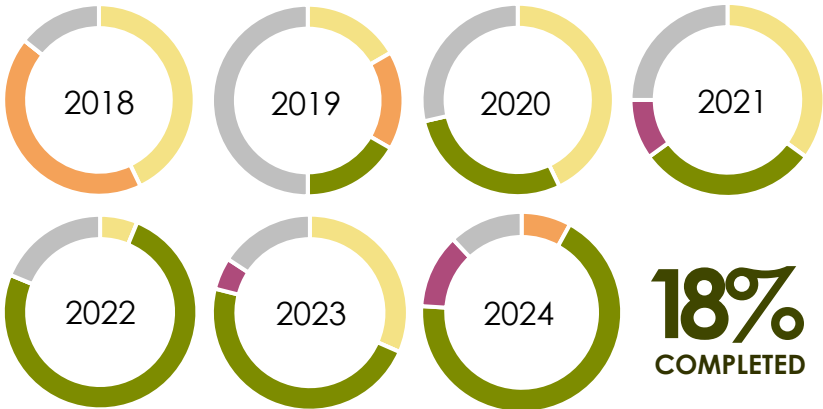
- EBRD FI is allocating €177 million to finance SMEs through Financial Inclusion Recovery Programme.
- KfW GGF is allocating €55 million for energy and green transformation SMEs.
- KfW EFSE is also providing €55 million to support agribusinesses (MSMEs) affected by the war.
- BGK MSME is allocating €20 million to finance MSMEs in war-affected areas.

# EBRD supports Ukraine’s private sector with financial institutions accounting for the largest number of projects

## Number share of EBRD projects

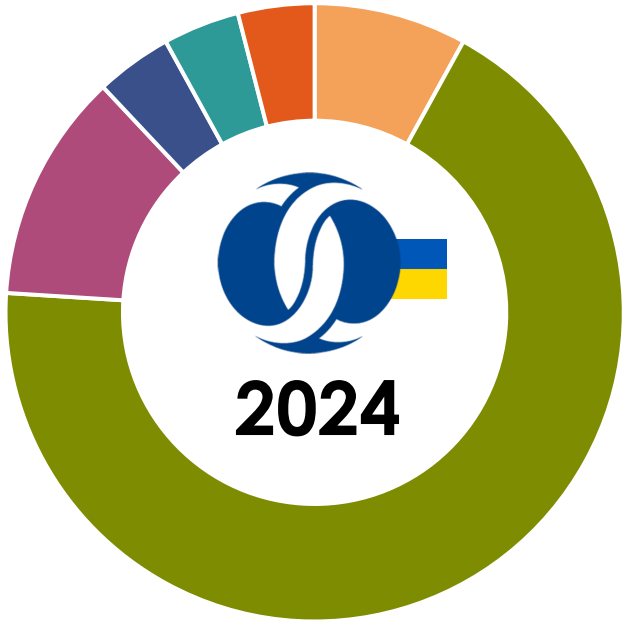
By sector

- Agribusiness
- Financial institutions
- Energy
- Telecommunications, Media and Technology
- Other



EBRD investments in Ukraine show steady growth of the financial sector a major recipient, increasing share of agribusiness and energy during full-scale invasion.

Consolidated



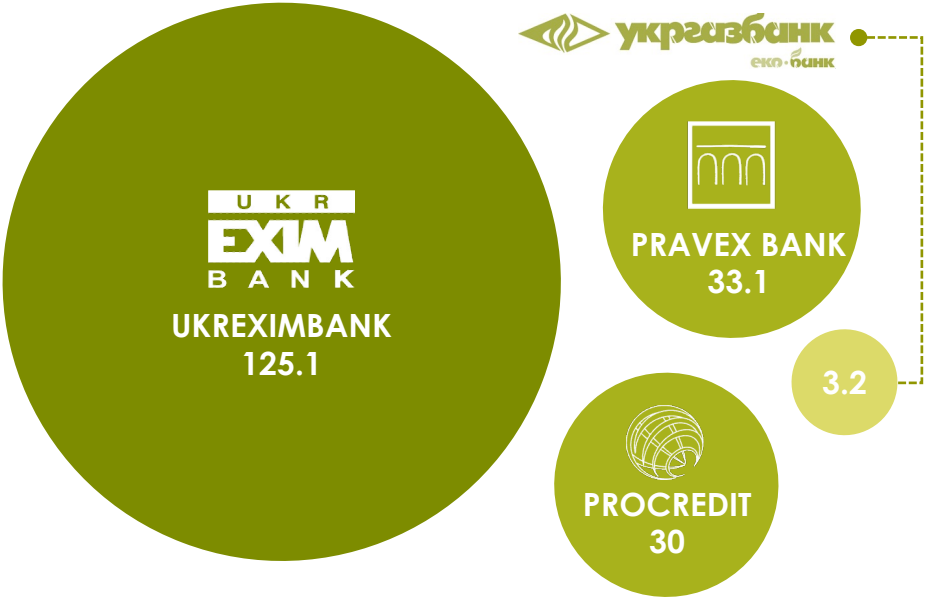
- Natural resources
- Transport
- Manufacturing and Services
- Financial institutions
- Energy
- Telecommunications, Media and Technology

In 2024, most EBRD projects in Ukraine focused on financial institutions, highlighting a shift toward indirect financing via local banks. The Bank still investing in agribusiness and energy, with consistent emphasis on liquidity and private sector capital access.

# Through support to local banks, the EIB is stimulating access to finance for Ukrainian SMEs

## EIB private investments in 2020 – 2024

In millions EUR, current exchange rate



EIB supports SMEs in Ukraine by funding export-oriented, innovative and energy-efficient businesses through credit lines provided to the Ukrainian local banks.



### Key Priorities

- Support for small businesses (SMEs) to stimulate sustainable growth and job creation.
- Climate action and innovation, including the transition to a low-carbon economy.
- Energy transition and urban sustainability aimed at modernising cities and infrastructure.

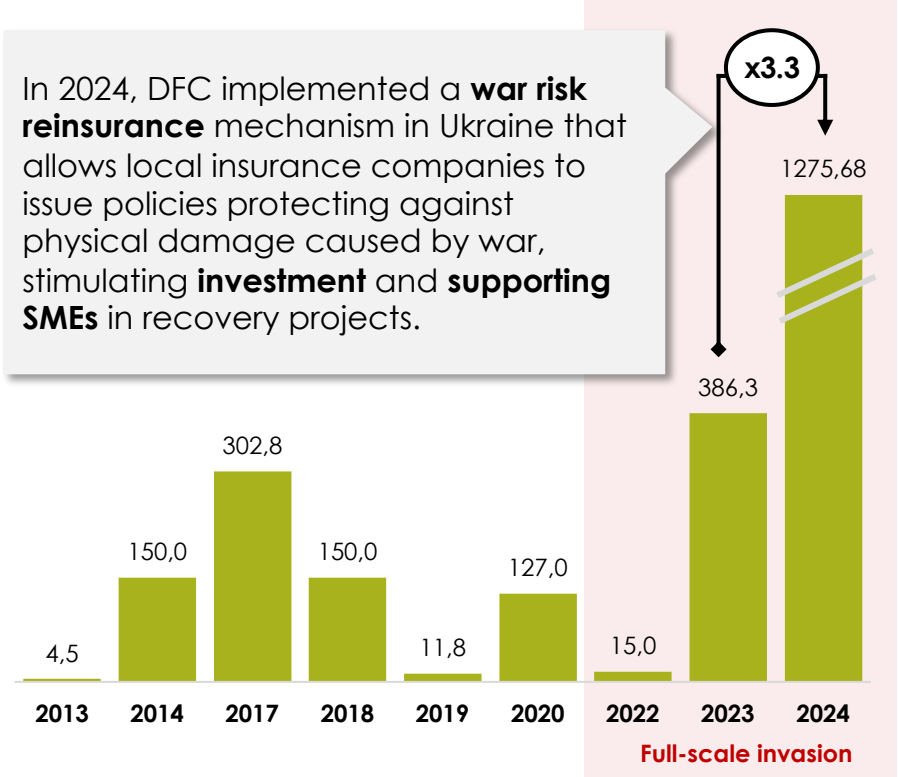
### Financing Instruments

- Loans
- Equity investments
- Guarantees
- Advisory

# DFC fosters private investment in Ukraine with war-risk reinsurance and SMEs financing

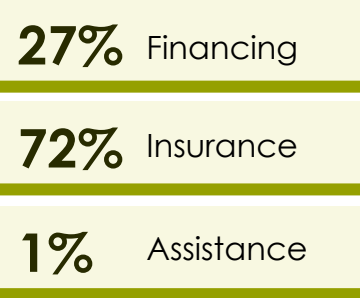
## DFC projects in Ukraine, 2013 – 2024

Total funding YoY, in millions USD, current exchange rate



## DFC projects' share in Ukraine 2013 – 2024<sup>1</sup>

Share by amount of cash



It remains uncertain how DFC will transform its operations under the Trump administration, as potential policy shifts may impact funding, project priorities, and partnerships in Ukraine and for Ukraine (co-funding of WB, IFC etc.)



DFC, in cooperation with USAID, provided loans to **small businesses**, expanding its portfolio of guarantees to \$100m, which allowed it to finance more than 500 businesses.

DFC engages **USAID** to provide loan guarantees to small businesses, **EBRD** and **IFC** to co-finance large projects, **Aon** as an insurance and reinsurance broker, **ARX** to implement insurance programs in Ukraine.

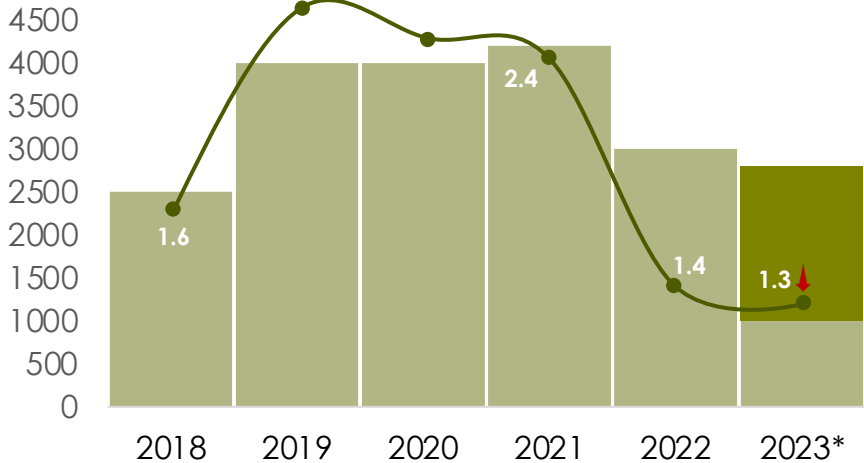
Some of the DFC in Ukraine projects have stopped in Jan 2025 due to the Executive Order of the U.S. President to freeze the USAID programmes.

# The share of PSIs in globally delivered official development assistance is small

## PSIs share in worldwide delivered official development assistance, 2018–2023

In millions of USD, only ODA-eligible PSIs are included

- Net PSI ODA (USD million)
- ODA Grant Equivalent of PSI (USD million)
- Share of PSI in ODA (%)



**Private Sector Instruments (PSIs)** – refer to financial tools and mechanisms used by donors to mobilise private sector resources for development objectives.

Notes

### PSIs in Ukraine

PSIs are becoming a vital component of Ukraine’s recovery strategy. Although they represent a small share of global ODA, PSIs in Ukraine are gaining traction through a variety of initiatives – both tailored specifically for Ukraine and accessible to its private sector (e.g., the Ukraine Investment Framework, Horizon Europe, the European Defence Fund).

These tools – including guarantees, equity investments, risk insurance, and concessional loans – are unlocking capital to empower the private sector, foster economic growth, drive innovation, and build long-term resilience.

### PPPs in Ukraine

PPPs are driving to launch new wave of privatisation in Ukraine. Now, Ukraine has state-owned **assets valued around \$50 billion to be privatised**. To successfully transfer these assets to the private sector, investment cases must be developed through international technical assistance initiative [i.e. Ukraine Invest].



# Private investment actors wait for favourable and risk-mitigated investment climate in Ukraine

## Private investments players in Ukraine

The sample is non-exhaustive and for illustrative purposes only\*



Despite growing interest, only a limited number of private players are currently actively investing in equity in Ukraine. Most international capital remains cautious, and the local venture capital ecosystem faces structural funding gaps.

Notes

### Expert Comment

Ukrainian funds, especially at the **seed stage**, remain noticeably active. However, their **potential to scale deals or support companies at later stages is significantly limited** (partially due to limited access to capital). The need for “second-round capital” (growth, series B+) is not so much financial as institutional - without the involvement of international partners, the ecosystem risks **remaining closed at the early stages**.

Even though interest in **defence tech** is growing, investment activity remains focused primarily on **digital solutions** with short development cycles. At the same time, capital is hardly flowing into sectors that require more complex institutional models, such as infrastructure, logistics, and energy.

# C. Technical Assistance



# Technical Assistance in Ukraine is delivered in two forms

Technical Assistance

## Humanitarian Assistance

- Humanitarian assistance projects are typically **short-term**;
- Addresses **emergency response** caused by war and displacement. Provides immediate aid such as food supply, healthcare, etc;
- Target-specific interventions and in-house response;
- Includes demining efforts (as for the first years of full-scale war).

## Development Assistance

- Development assistance consists of strategic projects, typically **mid- to long-term**;
- Focused on resilience, sustainable growth and **institutional capacity building**. Supports economic development, governance, and infrastructure;
- Aims at **systemic change** rather than immediate relief;
- Include **empowerment of civic society** and advocacy of reforms.

### Trends

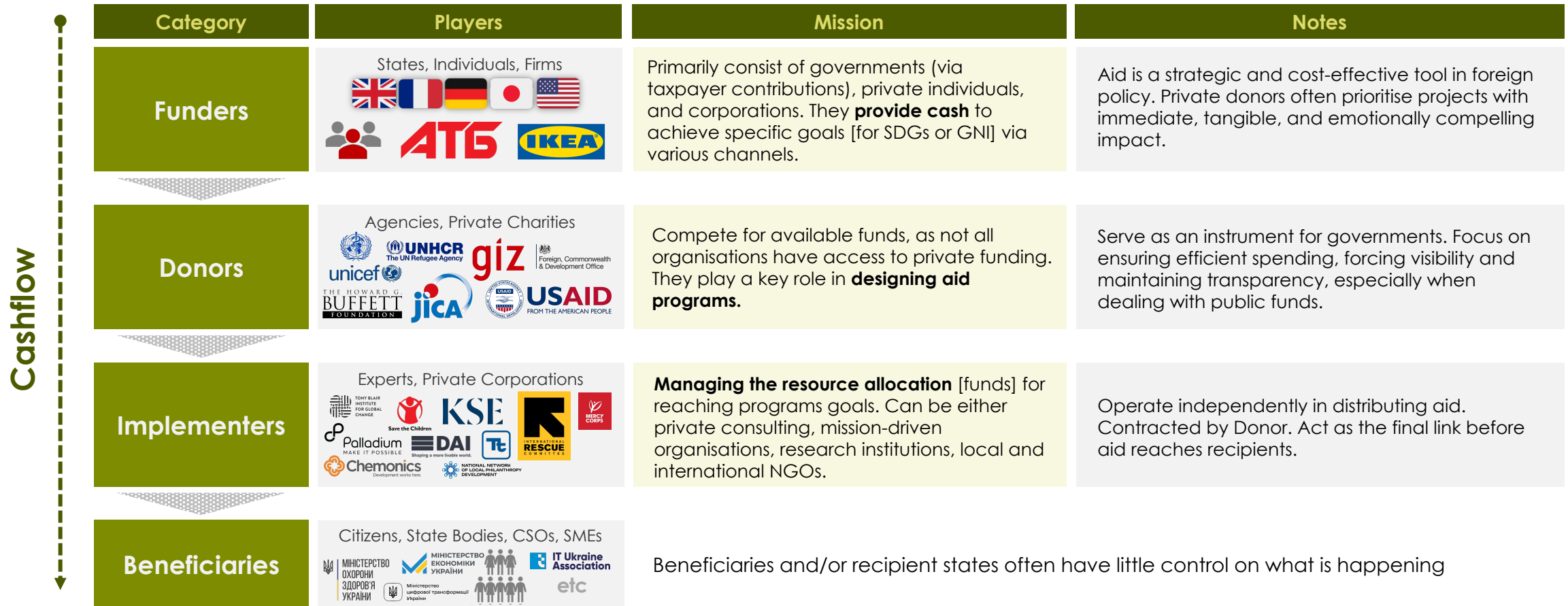
**Humanitarian aid focus is declining in favour of Development.** The intense humanitarian focus as it was for the first year is no longer expected.

**Triple Nexus (Humanitarian-Development-Peace)** was a **transition phase**. It helped move from emergency response to development, but in early 2025 the focus is on early **recovery and reconstruction**.

Development assistance programmes empowering the business entrepreneurial environment, but **private sector leadership is key to sustainable reconstruction**.

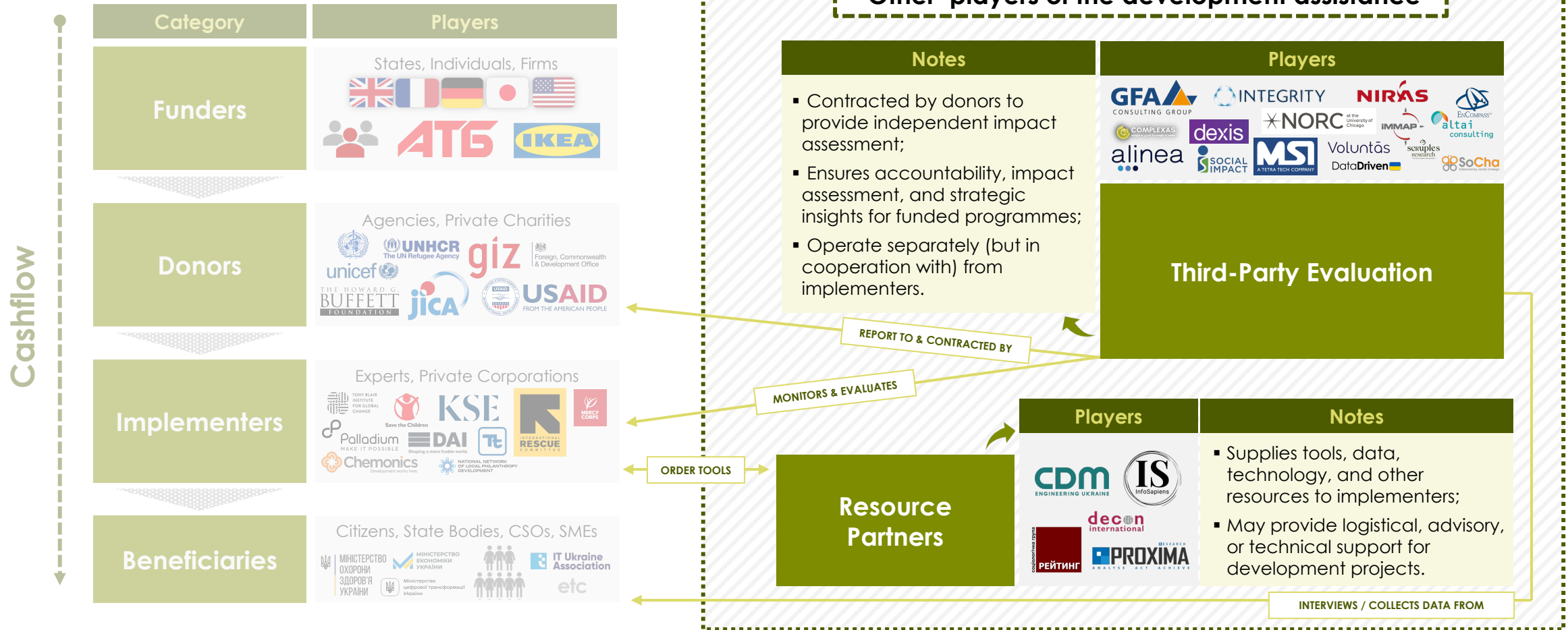
Most of the technical assistance projects in Ukraine in 2024-2025, include the private sector engagement.

# Understanding how money is distributed helps explain how the players operate



While these are standard operational principles, variations and exceptions may arise.

# Development assistance includes ‘other’ ecosystem players like professional service and tools providers



# Development Assistance can be seen as ODA or ITA



## Two ways to see the development assistance to Ukraine



**Official Development Assistance (ODA)** – is government aid explicitly directed toward the economic development and welfare of developing countries. Recognised as the primary mechanism for development financing, ODA is assessed by the OECD's Development Assistance Committee (DAC) and serves as a global benchmark for foreign aid.



Cabinet of Ministers  
of Ukraine

**International Technical Assistance (ITA)** – are resources and services provided to developing country [Ukraine] on a free and non-refundable basis under international agreements. It includes tangible assets, services, intellectual property rights, financial grants, and other legally permissible resources, such as scholarships, aimed at supporting Ukraine's development and institutional capacity.



## Key Differences Between ODA and ITA

<b>Regulation</b>	Standardised by the OECD's DAC	Defined by Ukraine's national laws
<b>Form</b>	Primarily financial aid but can also include technical cooperation	Includes goods, services, intellectual property, financial grants, and scholarships
<b>Provider</b>	Exclusively government aid	Can come from both public and private donors; bilateral and multilateral
<b>Measure</b>	When OECD's countries commit for assistance allocation; includes in-donor aid (i.e. refugee support)	When assistance is already allocated to Ukraine; includes only aid within the government-controlled territory

# Unpacking of Official Development Assistance (ODA)



## Overview

The ODA database is managed by Organisation for Economic Co-operation and Development (OECD) with a support from Development Assistance Committee (DAC).

Serves as a global benchmark for foreign aid.

Consist of DAC countries (has 32 members, Non-DAC countries and multilateral providers (EU, IFIs and DFIs etc).



## Key funding instruments



Grants



Loans

### Comments

- **Measures** in a moment **after funder allocate cash to the donor.**
- Countries like **France, Germany, South Korea, and Japan provide** foreign aid through **a mix of grants and low-interest loans.** Others, such as the **United States, primarily offer grants.** Most loan-based aid is issued by multilateral banks, like World Bank Group etc.
- Around **a third of public aid** from key **DAC members** is **channelled through multilateral institutions** like the World Bank, UN agencies, and specialised funds such as the Global Environment Facility and the Green Climate Fund.
- ODA **includes the in-donor refugee costs.** Hence, the resources spend on Ukrainian refugee support in DAC countries will count as allocated to Ukraine.



# Governance and refugee assistance in donor countries are becoming the most significant post-COVID-19.

## Recent Trends in ODA Worldwide

### By Sector

- ODA **budgets** are not static and **can witness** massive **variations**.
- **Aid allocated** worldwide primarily **supports** social infrastructure and services: **government & civil society**.
- **Health funding declining post-COVID-19**.
- For **the past few years** economic **infrastructure focus is growing** with focus on **energy**.

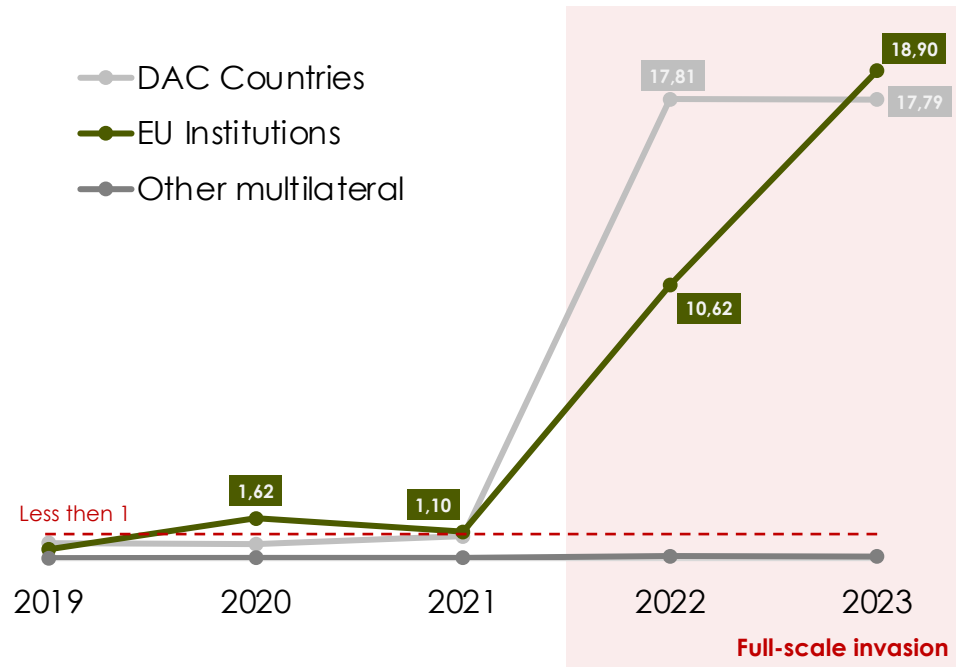
### By Funder

- **Japan** has been **consistently increasing** its ODA allocation since 2014.
- Recent increase in Germany ODA and decrease in UK ODA have impacted the ecosystem with some programmes being sharply reduced on short notice.
- **US is likely to reduce** the **ODA allocation** and to withdraw themselves from the programmes.
- **EU is increased its ODA by +34%** since 2021, mostly due to the war in Ukraine.

# In 2023, Ukraine was the top recipient of ODA and other concessional finance for the second straight year

## Net ODA to Ukraine, by provider group, 2019-23

In USD billions, constant 2022 prices

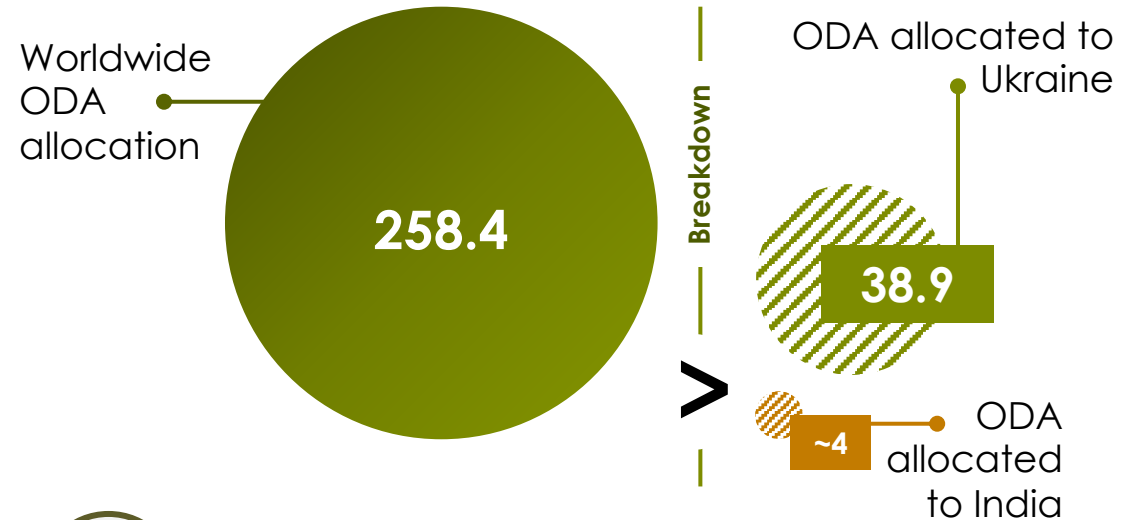


**28.5%** Increase of Ukrainian reception of ODA over the previous year

**15.5%** Ukraine's share of worldwide allocated ODA in 2023

## ODA allocation in 2023: Ukraine's share in global aid

In USD billions\*



Among DAC countries, **Ukraine received almost five times as much aid as the second-largest recipient, India.**

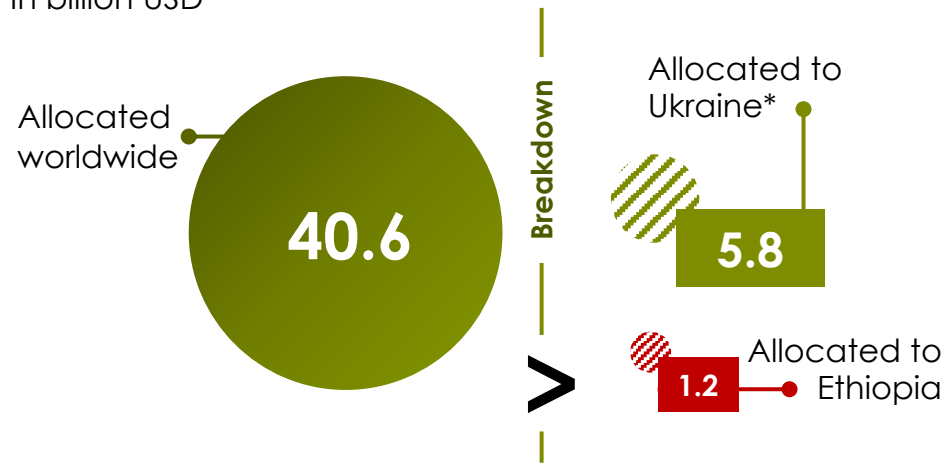
Aid to Ukraine continued to increase, driven largely by a **78% increase in funding from the EU Institutions**, while aid from DAC countries was level with the previous year.

# By the end of 2024, USAID was a key ODA contributor

**USAID** – U.S. Agency for International Development, responsible for US non-military assistance to other countries.

## USAID disbursements in 2024: Ukraine's share

In billion USD



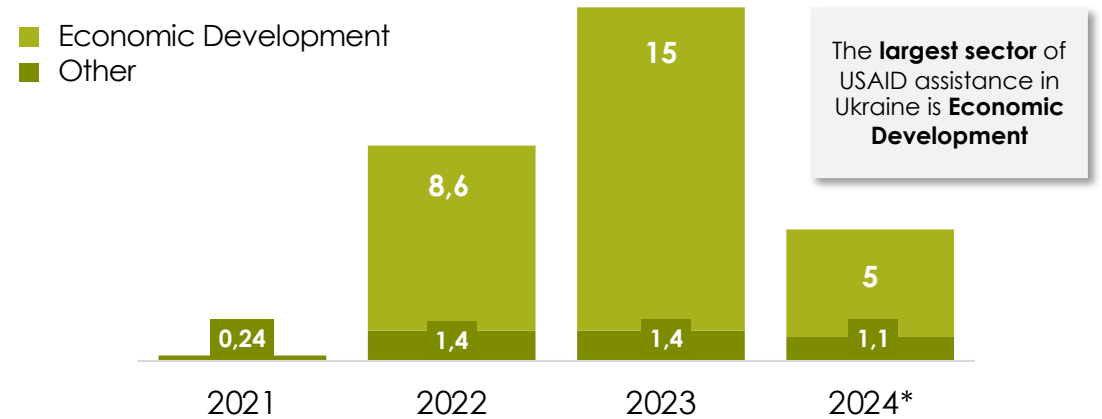
In 2024 Ukraine received almost five times as much USAID disbursements as the second-largest recipient, Ethiopia.



Amid USAID's crisis following Trump's election, further adjustments may emerge in 2025.

## Total obligations of USAID projects in Ukraine

In billion USD, 2021-2024 YoY



### Implementors of USAID Projects in Ukraine




# Unpacking of International Technical Assistance (ITA)

## Overview

- The ITA database is managed by **Secretariat of the Cabinet of Ministers of Ukraine**.
- Most of ITA projects and programs implemented in Ukraine must<sup>1</sup> be **officially certified** by the government.
- The size and purpose of the **ITA is measured by Government of Ukraine**. Final beneficiaries of ITA programs are required to submit annual and semi-annual reports on the implementation and received assistance funds.
- Funding and implementation of **ITA indicators include** support from both **private and public donors on granting basis**.
- **ITA projects in temporarily occupied territories are not carried out**. The information on ITA pertains to projects implemented within the government-controlled territory of Ukraine.
- Funds under ITA **aren't taxable**, including VAT and corporate / profit tax<sup>2</sup>.
- Goods such as materials, machines, and equipment **imported under ITA agreements** can be **exempt from customs duties and VAT**<sup>3</sup>.



## Key Challenges

- **Excessive regulation due to transparency requirements** – While essential, it slows down processes. Targeted **deregulation** could streamline operations.
- **Heavy monitoring & audits** – Missions even assess projects years post-implementation (e.g., checking if generators delivered two years ago are still in use). Audits cover **financials, impact, and effectiveness**, with high reporting burdens for government beneficiaries.
- The concern present is **program designing and coordination of efforts**. Complicated to ensure funds drive high-impact initiatives and not doubling the addressing of the same problem by other donors.
- **Donor-driven agendas usually affect negatively the efficiency**. When donor came with its own agenda of focus, it effect the efficiency. Since often it doesn't align with grassroots needs. In 2025, donors are more adaptive than in 2022, but some still push their own agendas.
- **Localisation of assistance** [see the next slide] 

# Localisation is one of key problems in assistance allocation

## Context

- In the aftermath of Russia's full-scale invasion, Ukrainian CSOs have been at the forefront of humanitarian efforts, providing essential aid and services to affected communities.
- These local entities face significant challenges in accessing international funding, which often favours larger INGOs.
- This disparity not only limits the effectiveness of aid delivery but also undermines the sustainability and growth of Ukraine's grassroots initiatives. Addressing this imbalance is crucial for empowering local CSOs and ensuring that aid reaches those who need it most.

## Our vision on the localisation

### Humanitarian

#### Should be localised

Local actors understand the needs of the communities better than any others, so should lead response efforts.

Platforms like **UNHCR & National Network of Local Philanthropy Development** advocate for broader localisation.

### Development

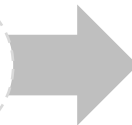
#### Requires a balanced approach

While local ownership is crucial, international expertise and best practices play a key role in economic growth.

**Global validation matters.** International institutions provide a **quality benchmark** for policy decisions made by Ukraine, strengthening credibility and effectiveness towards global partners.



**NATIONAL NETWORK  
OF LOCAL PHILANTHROPY  
DEVELOPMENT**

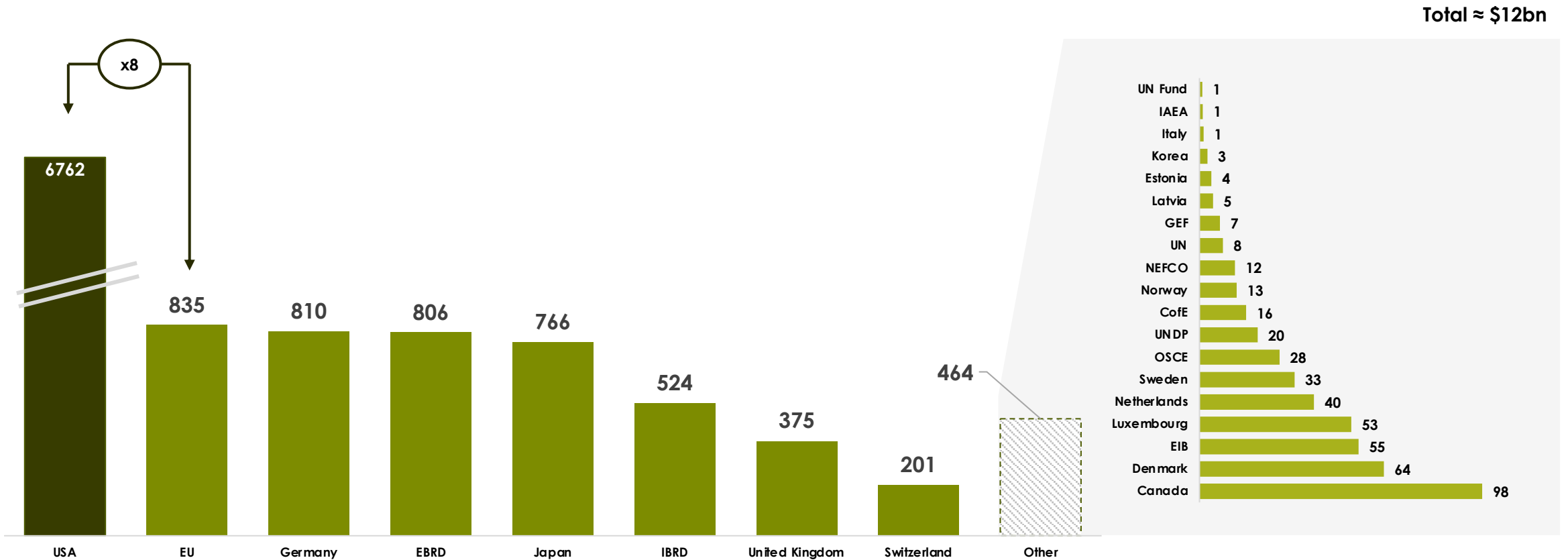


**Give Power to Ukrainian NGOs** – is an advocacy initiative by the **National Network of Local Philanthropy Development**, launched after UN OCHA reported that only **1% of UN funds** reach local organisations. It started with an **open letter** and now pushes for direct funding to grassroots NGOs.

# United States is the biggest ITA partner for Ukraine

## Size of the international technical assistance to Ukraine 2022-2024

In millions USD, by funder & donor

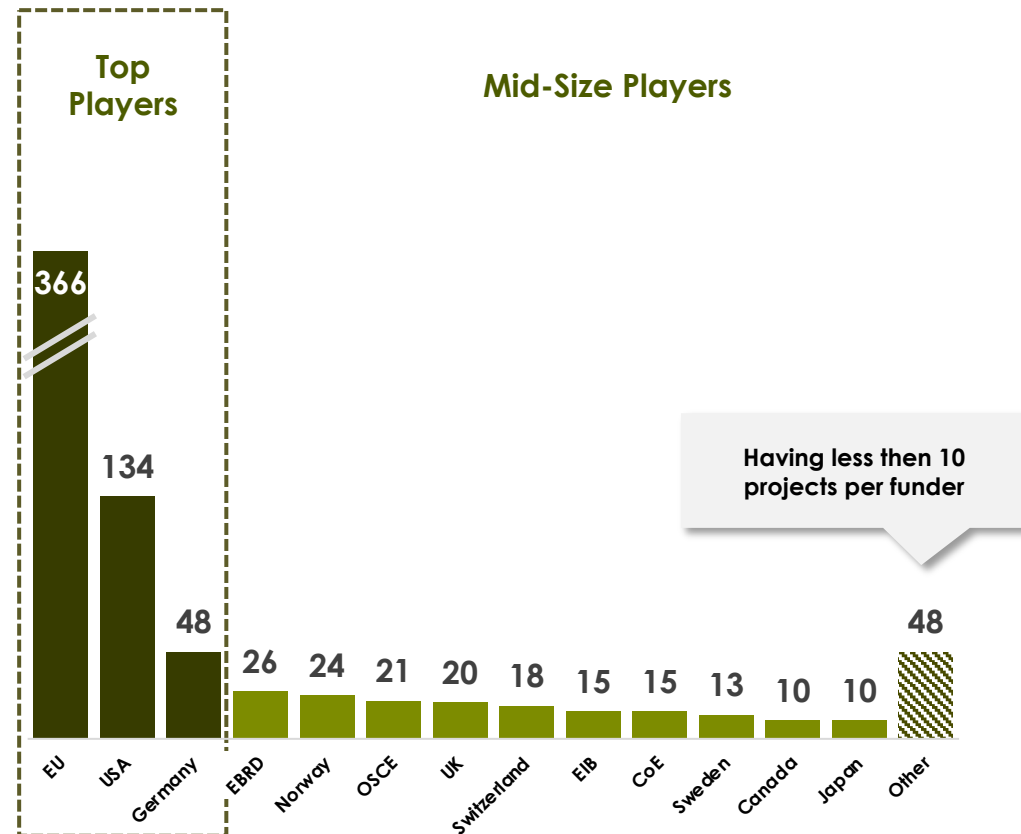


# The EU leads the number of ITA projects in Ukraine

## Infrastructure & Crisis Response as key sectors of aid received

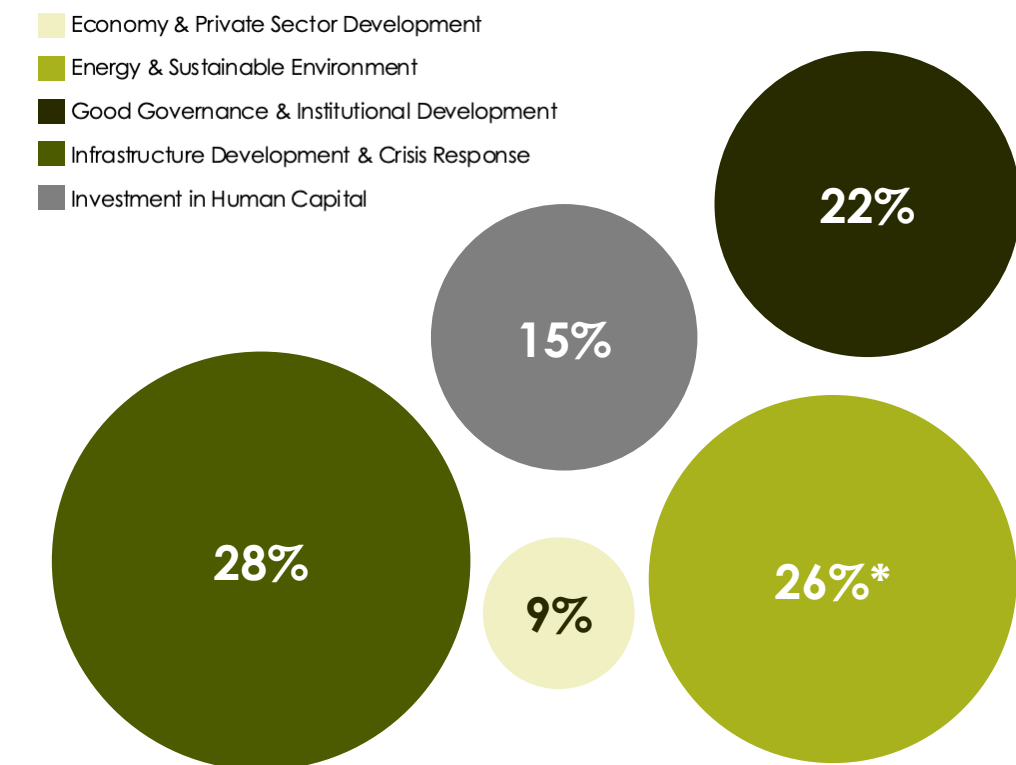
### Number of ITA projects in Ukraine 2022-2024

In Ukraine 2022-2024, by funder & donor



### ITA projects in Ukraine by sector

Received financial aid in USD from 2022 to 2024





# Private funders is small, but valuable contributor to development and crisis response efforts in Ukraine

**Private donors** – are a diverse group comprising various actors and funding sources.

## Players in Ukraine

THE HOWARD G.  
BUFFETT  
FOUNDATION

CHARLES STEWART  
MOTT FOUNDATION

Ole Kirk's Fond Citi Foundation

Robert Bosch  
Stiftung

OPEN SOCIETY  
FOUNDATIONS

novo nordisk  
foundation



CARLSBERG  
FOUNDATION

PORTICUS

citi

## We classify them into four main categories



**Individuals** – Includes members of the general public (expatriates) as well as major / rich private donors.



**Trusts and Foundations** – Privately funded philanthropic organisations that provide grants. These may be financed by individuals, families, or companies (foundations) or through public fundraising managed privately (trusts).



**Companies and Corporations** – Represents contributions from the private sector, including corporate social responsibility initiatives and business-led philanthropic efforts.



**Other** – Includes funds from national societies, diaspora unions, and similar organisations.

## Global Trends

- **Private sector represent a small, but consistent source of funding** for humanitarian programmes worldwide.
- Unlike public assistance, there is currently\* **no global mechanism for tracking private funding flows.**
- Most of **private funding is oriented** to address **humanitarian & emergency response.**
- Unlike public donors, **private donors tend to provide direct funding** to beneficiaries.
- By far the **largest** (around ¾) **contribution of private** humanitarian assistance comes **from individuals.**
- Beyond direct financial support, **private funders often deliver innovative solutions, frequently leveraging new technologies** that are more efficient to address the problems than those used by public funders.
- Recent **trends show increasing reliance on private funding for global health.** The Global Fund to Fight AIDS, Tuberculosis, and Malaria aims to raise \$2 billion – 50% more from private sources – amid concerns over declining government support.

# **SWOT Analysis: Development and Recovery Efforts**



# SWOT: Strengths & Weaknesses



## Strengths

I

### High International Attention & Strong Donor Interest

Despite crisis elsewhere, Ukraine remains a global priority. The country has a diverse range of donors, creating competition and driving investment.

II

### Extensive Coverage of Development Efforts

Development Assistance spans almost all sectors and sizes of payers of the economic development.

III

### Low Entry Barriers for Development Participation

Opportunities exist for both nonprofits and private sector players through various instruments.

IV

### Highly Developed and Dynamic Human Capital

Ukraine boasts a well-educated, skilled, and adaptive workforce that forms the foundation of development. CSOs actively drive civic engagement and democratic resilience, research institutions & think tanks foster data-driven policymaking, and local businesses empower communities for sustainable economic growth.



## Weaknesses

I

### Economic & Market Instability

Ongoing war, high-level of inflation, and fluctuating sectoral demands (from emergency response to long-term PSIs) create an unpredictable environment that discourages long-term investment.

II

### Limited Private Sector Role & Public-Dominated Market

The heavy involvement of public institutions in Ukraine's development landscape forces private businesses to adapt to public-sector business ethics and regulations. As a result, the private sector's role as a development driver remains underutilised.

III

### Overreliance on International Aid

Ukraine's heavy dependence on foreign assistance raises concerns about long-term economic sustainability.

IV

### Lack of Coordination & Overlapping Projects

Multiple projects often duplicate efforts, with ministries unaware of what happens across sectors. Efforts like loan's initiative aim to improve coordination, but gaps remain.

# SWOT: Opportunities & Threats



## Opportunities



### Largest Development & Reconstruction Effort Since WWII

Ukraine's recovery presents an unprecedented economic demand and investment environment, with massive international funding.



### Strategic Geopolitical & Economic Position

Ukraine have a strategic geographical location, along with its growing integration into Western political and economic frameworks.



### Local Teams & Ukrainian Expertise on the Rise

Ukrainians increasingly build and lead their own development projects, reducing dependence on foreign contractors. Ukrainian experts can apply their skills internationally, expanding into macro-financial stabilisation and investment attraction consulting.



### PPPs for Development

Increasing collaboration between the government and private sector can bring the pace of Ukraine's development on next level.



## Threats



### Donor Fatigue & Reduced Financial Support

As global crises shift priorities, donor fatigue and decreasing ODA could impact Ukraine's reconstruction's pace and stability.



### Political Shifts in Key Partner Countries

The rise of far-right and conservative governments in DAC countries may lead to reduced economic and military support for Ukraine.



### Destabilisation of the Rules-Based International Order

Growing geopolitical tensions, economic protectionism, and weakened international institutions could disrupt global commitment for Ukraine's development.

# 4. Methodology



# General methodology of the market research

The study **employs a combined approach** that integrates **quantitative and qualitative analysis** to comprehensively examine international efforts in Ukraine's development process. This approach has made it possible to account for both nationwide trends and in-depth contextual aspects, ensuring the robustness of the findings. It includes **Secondary Data Review** (i.e. Open Data Review; from both open and restricted sources) and **Key Informant Interviews** with relevant field experts.

## Key Informant Interviews



**Data Collection Method:** Semi-structured expert interviews with various local and global stakeholders in the industry, each lasting between 20 to 60 minutes. The interviews were supplemented by basic questionnaires.

**Topics covered:** International Development Worldwide; Development efforts in Ukraine; Ecosystem of players; Trends in resource allocation; Demands and progressive approaches from the Government of Ukraine, funders and donors.

**Data Collection Period:** From December 2024 to February 2025.

## Secondary Data Review



**Data Collection Method:** The secondary data review involved analysing publicly available and proprietary sources to complement insights from primary research. The review focused on structured datasets, official reports, industry publications, and media analysis to ensure a comprehensive understanding of the market.

**Objective:** The secondary data review aimed to identify key trends, validate findings from key informant interviews, and provide a broader contextual understanding of international development efforts in Ukraine.

# Our approach for data collection



## Key Sources

- Public sources, such as official portals of government institutions, agencies, DFIs etc (i.e. World Bank; OECD; etc);
- Officially published materials from public research;
- Reputable Ukrainian and international media;
- A short survey by DataDriven conducted among market players;
- Interviews with donors, funders, implementers, ecosystem players and other industry stakeholders.



## Our Approach to the KIIs

- The interviews included both confidential and public conversations with industry stakeholders and independent experts;
- The interviews were supplemented by basic questionnaires, which were distributed through direct contacts with representatives and industry associations.



## Forecasting

- The data analysis, particularly the focus on interviewing market representatives, enabled us to transform a set of statistical data into a qualitative assessment;
- At the same time, we considered a broad range of market trends and stakeholder opinions that may influence market development over different time horizons;
- Special attention was given to integrating insights from the surveyed stakeholders who are currently shaping the market.

This study is prepared solely for informational purposes regarding the development market in Ukraine and does not constitute investment advice or a recommendation for making any financial or economic decisions. The information presented in the report may be incomplete or subject to change over time. Before making any decisions, we recommend consulting with service providers directly for more detailed advice and risk assessment.

# Data sources

Citing	Link	Citing	Link	Citing	Link	Citing	Link
OECD	<a href="#">Source</a>	KMU	<a href="#">Source</a>	EBRD	<a href="#">Source</a>	House Website	<a href="#">Source</a>
UK Gov	<a href="#">Source</a>	Open Budget	<a href="#">Source</a>	EIB	<a href="#">Source</a>	World Bank	<a href="#">Source</a>
EBA	<a href="#">Source</a>	Ministry of Finance	<a href="#">Source</a>	U.S. DFC	<a href="#">Source</a>	World Bank	<a href="#">Source</a>
Static Project	<a href="#">Source</a>	EC	<a href="#">Source</a>	OECD	<a href="#">Source</a>	UN Website	<a href="#">Source</a>
OCHA	<a href="#">Source</a>	Ministry of Finance	<a href="#">Source</a>	Gov of Ukraine	<a href="#">Source</a>	OECD 2023	<a href="#">Source</a>
GPPi	<a href="#">Source</a>	Centre for Economic Strategy	<a href="#">Source</a>	OECD	<a href="#">Source</a>	PFRU	<a href="#">Source</a>
UN Report	<a href="#">Source</a>	Ukraine Facility	<a href="#">Source</a>	OECD Report 2024	<a href="#">Source</a>	Forbes	<a href="#">Source</a>
World Bank	<a href="#">Source</a>	World Bank Group	<a href="#">Source</a>	World Bank Report	<a href="#">Source</a>	RDNA3	<a href="#">Source</a>
UNHCR	<a href="#">Source</a>	NBU	<a href="#">Source</a>	OECD	<a href="#">Source</a>	Forbes	<a href="#">Source</a>
KSE	<a href="#">Source</a>	Ministry of Economy	<a href="#">Source</a>	Gates Annual Report	<a href="#">Source</a>	IFC	<a href="#">Source</a>
RDNA4	<a href="#">Source</a>	IFIs Projects	<a href="#">Source</a>	Foreign Assistance	<a href="#">Source</a>	Diia Business	<a href="#">Source</a>
DREAM	<a href="#">Source</a>	MinFin Ukraine	<a href="#">Source</a>	Ministry of Economy	<a href="#">Source</a>	IFW-Kiel	<a href="#">Source</a>
DREAM Analytics	<a href="#">Source</a>	Eu4Business	<a href="#">Source</a>	Reuters	<a href="#">Source</a>	FCDO	<a href="#">Source</a>
Poland gov	<a href="#">Source</a>	EU NEIGHBOURSEAST	<a href="#">Source</a>	Devinit	<a href="#">Source</a>		
ITA	<a href="#">Source</a>	Ukraine Facility	<a href="#">Source</a>	The Guardian	<a href="#">Source</a>		
World Bank	<a href="#">Source</a>	UIF (EC)	<a href="#">Source</a>	Vox	<a href="#">Source</a>		
Secretariat of UDP	<a href="#">Source</a>			DW	<a href="#">Source</a>		



Data**Driven** | Research & Consulting