



Ukraine Economy of the Future (UEF)

Overview
Presentation

Outreach
Workshop
KSE

May 2026

Why do we need the *Ukraine Economy of the Future*?



OPPORTUNITIES

- EU integration and accession as the anchor for reforms to liberalize the economy and increase access to markets
- New sectors, technologies and innovations have emerged in which Ukraine is a world leader
- Reconstruction offer strong investment opportunities and can revitalize local economies
- Strong support from international community and vibrant civil society

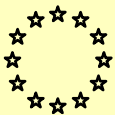


CHALLENGES

- Acute labor shortages
- Creating economic opportunities for veterans and displaced persons
- Significant fiscal financing and private sector investment needs
- Perceived high investor risks due to state footprint, shadow economy, and weak rule of law



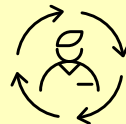
VISION



Economy ready for EU Accession: Stronger institutions and rule of law to EU standards



Private sector at the center of the economy, breaking away from the old economic model



Higher sustained per capita income, with more people in better / more productive jobs



A fair and inclusive economy supporting **social cohesion**

THE ECONOMY OF THE FUTURE

- Despite the destruction and displacement caused by Russia's invasion, **Ukraine remains a country of opportunity.**
- **Realizing these opportunities is not an automatic process** - Ukraine faces substantial challenges.
- **Therefore, we need a robust economic recovery strategy: "The Ukraine Economy of the Future" (UEF)** that can help us address our challenges, take advantage of our opportunities, and **realize our 15-year vision of a private sector-led, innovative, investment-driven, liberal economy,** ready for EU accession, and one which offers economic opportunities for all Ukrainians.

How does it fit with other economic and reform strategies and plans?

The UEF lays out a 15-year vision and strategy for a private sector-led economic recovery and development.

It does this by bringing together in a coherent manner strategies and policy agendas under one framework, highlighting the reforms and government actions that are key to realizing the vision.

- **The UEF policy and reform agenda aligns with Ukraine's EU integration and accession track and existing reform commitments:**
 - **EU commitments** including the Ukraine Facility Plan, Rule of Law Roadmap,
 - The **IMF** program (especially on fiscal, monetary policy, financial sector)
 - The **World Bank** Development Policy Operations (structural reforms)
- **The UEF incorporates existing Government's strategies, including:**
 - **The new FDI and Industrial Strategies** (to be adopted) inform the Sectoral Strategies.
 - **The AI, Digital and WINWIN** strategies are reflected in the Innovation component.

The UEF scenarios also highlights the considerable investments and fiscal financing needs during recovery and reconstruction and what it would take to mobilize fiscal resources and private capital to meet these needs.

Important Note on the UEF Scenario Modelling Results versus Projections or Forecasts

- All results presented in the UEF are **medium-to-long-term scenario modeling** that show the evolution of economic variables *if* certain growth and fiscal sustainability targets were to be achieved.
- The realization of the economic variables in turn **assume the necessary reforms** are undertaken and investments are realized (which depend on reforms to create the opportunities and environment for investments).
- This is **different from baseline and near-term economic projections or forecasts** which reflect the most likely evolution under current policies.

What are the key components of the UEF work to date?



Growth scenario modelling

- Long-term growth scenarios for faster EU income convergence
- Dynamics of the key growth drivers (capital/investment rates, labor supply and productivity growth) for each growth scenario



Horizontal Policy Levers

- Identification of key horizontal policy areas and levers and for each policy lever, the reforms and government actions to be taken now, short-term and medium-term (including existing reform commitments)
- **Lessons from Poland's reform experience**



Sectoral Strategies

- Identification of 9 high-potential economic sectors drawing from the new FDI and Industrial strategies
- Policy agenda for each high-potential sector



Labor Supply Dynamics

- An overview of labor supply issues in Ukraine—before and after the full-scale invasion.
- Labor supply scenarios
- Policy agenda to strengthen labor supply



Innovation

- Analysis of Ukraine's innovation ecosystem and case studies of innovation successes
- Policy agenda to accelerate innovation



Deshadowing

- Analysis of different dimensions of the shadow economy and policy agenda to tackle each dimension
- Labor informality
- Firm informality
- Illicit economic activities



Fiscal policy scenario modelling

- Fiscal scenarios consistent with debt sustainability and growth scenarios, given key expenditure assumptions
- Options for a growth-enhancing fiscal adjustment

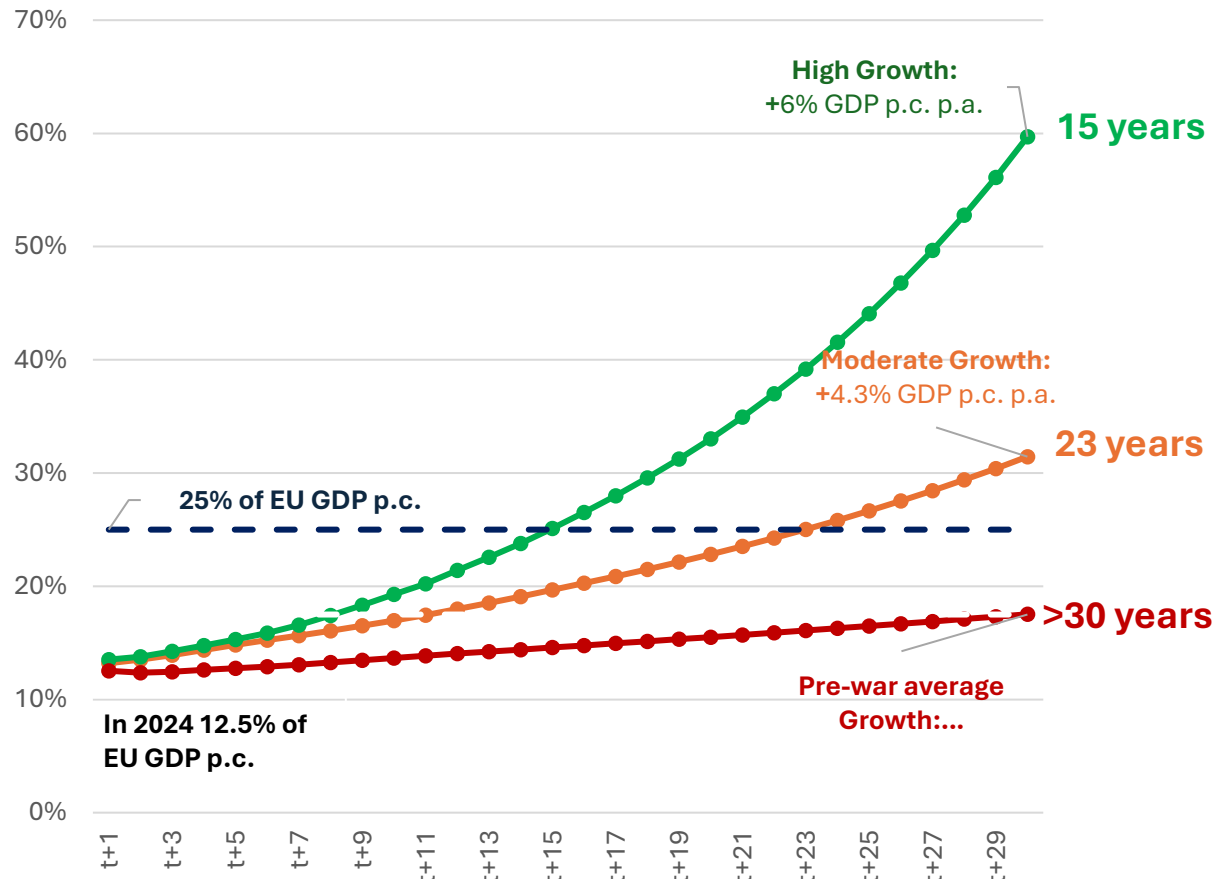


Private Capital Mobilization

- Analysis of the foreign and domestic sources of private capital
- Policy agenda to mobilize private capital including derisking

The UEF growth scenarios show faster EU income convergence is possible with higher capital investment, innovation-driven productivity growth and a larger active labor force

Ukraine's GDP per capita per growth scenario (% of EU's average GDP per capita)



Active Labor Force

- **Positive net migration:** 1.9 million in the moderate-growth, 3.1 million in the high-growth scenario in the years 3-5 post war.
- **Lower unemployment**
- **Increased labor force participation**

Investment in Physical Capital

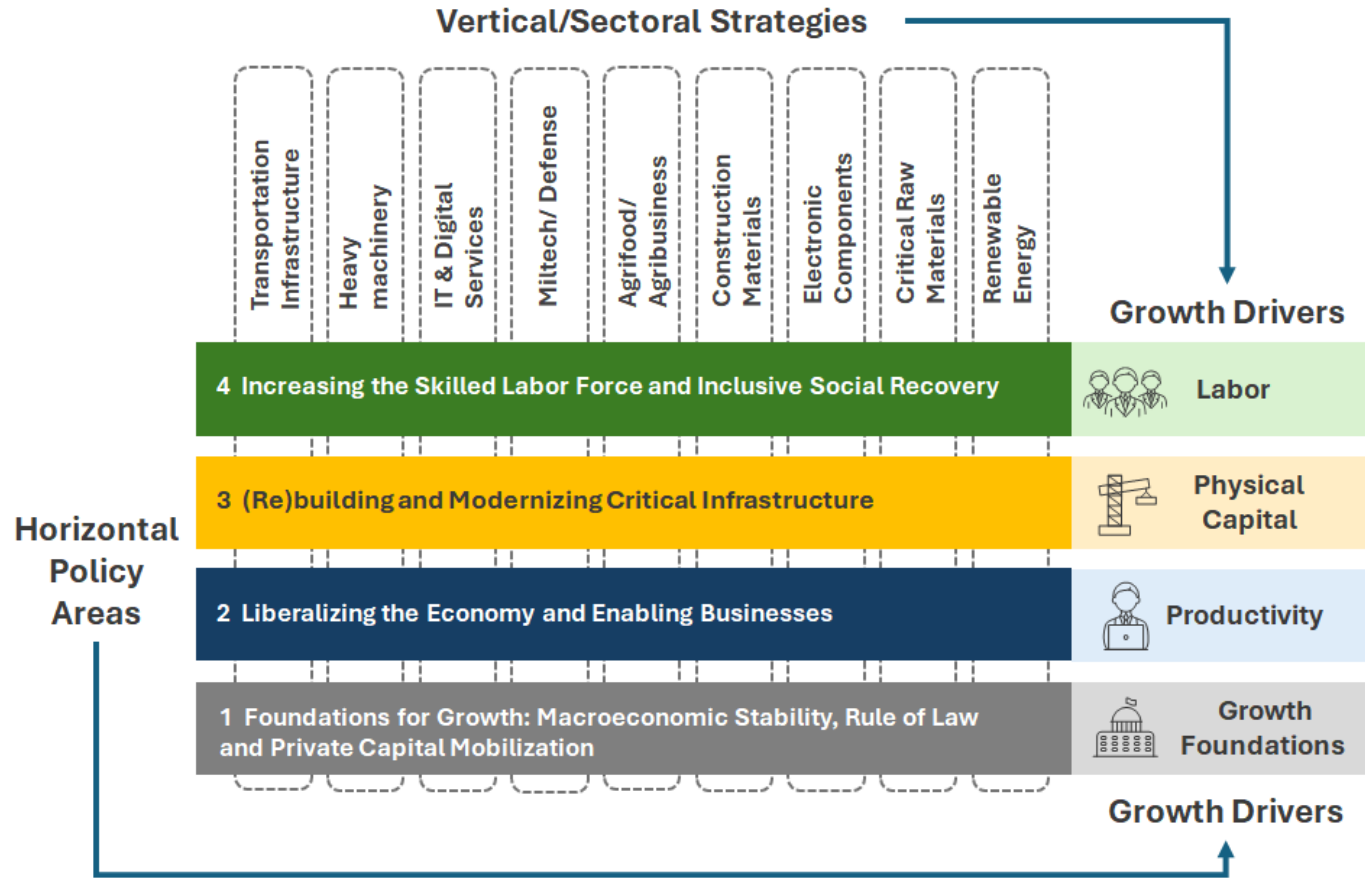
- **Increase in annual investment rate** from 16% of GDP (pre-war average) to a steady state of 19% in the moderate-growth scenario and 24% in the high-growth scenario.
- **Private investment to account for the bulk of the scale up** (13-18% vs. 5.5% of GDP for public investment). Public sector still important including key role in derisking to mobilize private capital.

Productivity

- **Significantly faster annual productivity growth:** Double from 1.3% (pre-war average) to 3.3% in the moderate-growth scenario and triple to 5% in the high-growth scenario. Key policy levers include deshadowing, innovation, increased competition and firm dynamism.

What will it take? To accelerate these growth drivers, Ukraine needs to sustain bold reforms across horizontal policy areas and in high potential sectors

Four Horizontal Policy Areas and Vertical/Sectoral Strategies



Reforms

- **The stronger the reform effort, the higher the growth dividend.** There are few magic bullets; rather there are complementarities and multiplier effects from enacting a comprehensive set of reforms.
- **Reforms include existing commitments** under the EU Ukraine Facility Plan, the EU-Ukraine 10-point rule of law plan, the IMF program and World Bank development policy operations (and others as per the Reform Matrix) and should **fully align with the EU accession path.**
- **Ukraine should not wait for a ceasefire** - continue implementing existing commitments and start new reforms that are feasible to do under current security conditions.
- **Reforms need to be sustained over time** in order to ensure that bold actions turn into results.

What will it take? The 4 horizontal policy areas aim to mobilize private capital, liberalize the economy, modernize critical infrastructure and increase skilled labor (1/2)

Horizontal Policy Areas and Policy Levers

1 Foundations for Growth: Macroeconomic Stability, Rule of Law and Private Capital Mobilization



- Growth-enhancing and sustainable **fiscal policy**
- Balanced **monetary policy**
- Maintain **financial sector stability**
- Rebuild **administrative capacity** at the central and local level
- Fight **corruption** and strengthen **SOE corporate governance** and the **rule of law** (implementation of the Ukraine-EU Rule of Law Roadmap including judiciary reforms)
- Scale up **derisking** products and strengthen **investor protection**
- Reduce the heavy **state footprint** through **SOE and SOB privatization**
- Develop and diversify the **financial sector** and introduce **new instruments**
- Strengthen **FDI attraction and retention**

2 Liberalizing the Economy and Enabling Businesses



- Accelerate EU-aligned **business regulation simplification**
- **Increase competition** by opening sectors to the private sector and reducing barriers to firm entry
- Strengthen **trade integration** and harmonization
- Improve effectiveness and targeting of **firm support** programs for **start-ups and MSMEs**
- Deploy a “**smart industrial strategy**”
- **Accelerate innovation and increase deployment of AI and technologies** (strengthen the innovation ecosystem: IP rights protection, university–industry R&D, cybersecurity, innovation finance and smart use of regulatory sandboxes)
- **Deshadow the economy** (lower VAT compliance costs, reduce abuse of the simplified tax system, strengthen customs and tax administration through data analytics, strengthen anti-money laundering)

-> See Horizontal Policy Levers

What will it take? The 4 horizontal policy areas aim to mobilize private capital, liberalize the economy, modernize critical infrastructure and increase skilled labor (2/2)

Horizontal Policy Areas and Policy Levers

3 (Re)building and Modernizing Critical Infrastructure



- Ensure stable, resilient and sustainable **energy supply**
- Develop the **housing market** by improving **housing supply** (construction) and **demand** (housing financing)
- Strengthen **transport connectivity** and logistics
- Sustainable and affordable access to utilities and **municipal services**
- **Demining**
- Strengthen **public investment management**
- Increase **public-private partnerships** and concessions
- Strengthen **subnational capacity** and citizen participation in local reconstruction efforts.

4 Increasing the Skilled Labor Force and Inclusive Social Recovery



- Comprehensive **labor code** reform for a more **flexible labor market**
- Increase access to quality **child, elderly and disabled care**
- Integrated **social and employment services** for vulnerable groups inc. **veterans and persons with disability**
- Strengthen **training and skills** programs in collaboration with the private sector
- Improve **active labor market programs** and employment services
- Attract **migrant workers** to address labor shortages
- **Pension system overhaul** to strengthen work incentives, improve fairness, and achieve fiscal sustainability
- Improve targeting and efficiency of **social assistance**
- Increase quality and availability of **health services**

-> See **Horizontal Policy Levers**

Putting it into action – Selected Policy Levers:

Foundations for Growth: Macro Stability, Rule of Law and Private Capital Mobilization

Policy Lever	Recent Reforms and Actions Completed	Near-term Reforms and Government Actions 2026-2027
Maintain macroeconomic stability (fiscal policy, monetary policy and financial sector)	<ul style="list-style-type: none"> Ukraine has maintained economic, fiscal and financial sector stability during the full-scale invasion through securing large external financing and effective domestic policies and management. 	<p>In a post-war/ceasefire situation, macro management should include:</p> <ul style="list-style-type: none"> Implement a growth-enhancing fiscal adjustment that restores debt sustainability Conduct an independent Asset Quality Review and then implement a non-performing assets resolution program
Strengthen SOE corporate governance	<ul style="list-style-type: none"> Law on Management of State Property, and adoption of the State Ownership Policy 	<ul style="list-style-type: none"> Conduct external governance assessments of large strategic SOEs as per CMU ordinance. Transparent, merit-based appointment of vacant positions in supervisory boards in line with the strengthened selection of supervisory board members (independent + state reps)
Fight corruption and strengthen the rule of law	<ul style="list-style-type: none"> Ukraine's accession to the OECD Anti-Bribery Convention. Enacted law on reforming ARMA the state asset recovery agency 	<ul style="list-style-type: none"> Preserve independence and empower specialized anti-corruption institutions (amend criminal and civil codes to enable effective prosecution; establish independent forensic expertise for NABU and SAPO; HACC: Appoint judges following a transparent selection) Full implementation of the Ukraine-EU Rule of Law Roadmap including judicial reforms.
Scale up derisking products	<ul style="list-style-type: none"> Introduction of derisking products (War risk, Agriculture, MSMEs). 	<ul style="list-style-type: none"> Develop/scale-up de-risking programs using transparent eligibility rules and governance mechanisms, include <i>RAMP UP</i> to derisk renewable energy investments.
Develop and diversify the financial sector and introduce new instruments	<ul style="list-style-type: none"> Adopted the Lending and Financial Sector Development Strategies. 	<ul style="list-style-type: none"> Enact the Undertaking for Collective Investments and Transferable Securities (UCITS) law to develop the market for investment funds. Enact the Valuation law to establish a sound system of asset valuation to facilitate equity investments.
Reduce the heavy state footprint through SOE and SOB privatization	<ul style="list-style-type: none"> Enact new legal framework on SOB privatization. 	<ul style="list-style-type: none"> Launch open tenders for privatization of SOBs. Prepare privatization roadmap and select key SOEs to signal commitment to open markets for competition.
Strengthen FDI attraction and retention	<ul style="list-style-type: none"> Develop a new FDI strategy (to be approved) to attract more and higher quality FDI Worked with partners to deploy co-financing and derisking mechanisms (e.g., UIF, URIF) 	<ul style="list-style-type: none"> UkraineInvest to establish a new FDI aftercare package to enable reinvestment by existing multi-national companies in Ukraine in the immediate post-war period. Review the legal framework and international agreements on investment and prepare a time-bound roadmap to address gaps in investor protection.

Putting it into action – Selected Policy Levers:

Liberalizing the Economy and Enabling Businesses

Policy Lever	Recent Reforms and Actions Completed and Results	Near-term Reforms and Government Actions 2026-2027
Accelerate EU-aligned business regulation simplification	<ul style="list-style-type: none"> • Deregulation since 2023: 353 instruments have already been repealed (as of January 15, 2026) • Launched Diia.Business Portal 2.0, with 500K+ visits and 90K+ SME accounts simplifying G2B interactions 	<ul style="list-style-type: none"> • Continue implementing the Action Plan for the Deregulation of Economic Activities. • Expand the functionalities of the e-Permit system for businesses.
Strengthen trade integration and harmonization	<ul style="list-style-type: none"> • Harmonized over 1,500 European product standards for three initial industrial sectors. • Adopted European Integration Law No. 12221 to make product safety and testing rules match the EU. 	<ul style="list-style-type: none"> • Enact the Single Euro Payment Area (SEPA) law to enable SEPA accession and reduce cross-border transaction costs (and also strengthen anti-money laundering) • Complete the alignment of customs legislation with the EU acquis and trade facilitation measures with EU and WTO standards by introducing digital tools to automate processing and simplify compliance with trade formalities.
Improve effectiveness and targeting of firm support programs for start-ups and MSMEs	<ul style="list-style-type: none"> • Policy Effectiveness Review (PER) done for MSME programs (5-7-9, Industrial Parks, eWorks etc.). • Reform of the National Development Institution. 	<ul style="list-style-type: none"> • Implement the PER: improve targeting & impact of state firm support programs - shifting from emergency response to enhancing competitiveness. • Enact secondary legislation to implement the Factoring Law (alternative financing instrument for MSMEs).
Accelerate innovation and increase deployment of AI and technologies	<ul style="list-style-type: none"> • Success in Defense Tech • Success in Gov Tech • Success in Digital Payments • Developed State strategies targeting innovation (WINWIN, AI and Digital Strategies) 	<p>Strengthen the innovation ecosystem:</p> <ul style="list-style-type: none"> • Ensure full alignment with EU acquis on intellectual property rights protection • Improve the state R&D funding, including through clear KPIs for grantees • Improve university–industry collaboration on research • Adopt modern legal framework for cybersecurity
Deshadowing the economy	<ul style="list-style-type: none"> • Enacted law to “reboot” the ESBU and appointed new Head. • Enacted law to reform the Customs Service and appointed new Head. 	<ul style="list-style-type: none"> • Implement anti-avoidance rules to reduce firm splitting behavior for tax optimization. • Strengthen status and mandate of the ESBU to tackle large tax evasion. • Lower VAT compliance costs while enforcing the VAT threshold (inc. for FOPs). • Strengthen customs & tax administration through data analytics & risk-based audits. • Establish a national register of “drops” (money mules) and strengthen the FIU. • Conduct tax education and literacy programs to strengthen tax morale

-> See Deshadowing and Innovation Deep Dives

Putting it into action –Selected Policy Levers: (Re)building Critical Infrastructure for the New Economy

Policy Lever	Recent Reforms and Actions Completed and Results	Near-term Reforms and Government Actions 2026-2027
Ensure stable, resilient and sustainable energy supply	<ul style="list-style-type: none"> Enacted the Electricity Market Integration bill. Repairs of damaged/destroyed energy infrastructure and investments in decentralized generation for resilience and preparing for the next winter. 	<ul style="list-style-type: none"> Start energy market liberalization by gradually removing PSOs and adjusting electricity and gas tariffs towards market-based pricing. Adjust household utility subsidy (HUS) to mitigate social impacts. Implement the Electricity Market Integration bill through bylaws, align sales taxation rules between Ukraine and other participants in the EU electricity market, and nominate an electricity market operator
Develop the housing market by improving housing supply and demand	<ul style="list-style-type: none"> Enacted the Fundamental Housing Law Develop the Housing Sector Strategy (to be adopted) 	<ul style="list-style-type: none"> Prepare design packages for the restoration of the affected housing stock, inc. BBB principles and scale up programs to enable rapid repair of damaged housing units Mobilize private capital through banks for mortgage lending by reforming eOselia govt program and enacting the Securitization law. Establish a regulatory framework for a formal rental market.
Strengthen transport connectivity and logistics	<ul style="list-style-type: none"> Developed the Strategic Railways Reforms Action Plan (to be approved) Launched pilot PSO program for UZ 	<ul style="list-style-type: none"> Adjust railway freight tariffs Implement a financial restructuring plan for UZ . Roll out an EU-aligned PSO program across the railway sector. Enact the Railway law(s) to open the railway market to competition and integrate with EU standards on safety and interoperability.
Strengthen public investment management	<ul style="list-style-type: none"> Public investment management framework established with single project pipeline (SPP), strategic investment council, and the rollout of the DREAM system 	<ul style="list-style-type: none"> Full rollout of the national PIM framework and DREAM system to local government/Hromada level. Adopt an EU-aligned Public Procurement Law.
Increase public-private partnerships and concessions	<ul style="list-style-type: none"> Enacted updated legal framework on PPPs and concessions (next is to adopt secondary legislation to implement the new law) 	<ul style="list-style-type: none"> Establishment of a Viability Gap Fund for “hybrid” PPPs (as a co-funding mechanism for projects that are economically justified but not financially viable) Leverage project preparation facilities (PPFs) to identify and prepare public infrastructure projects that can be developed through PPPs.

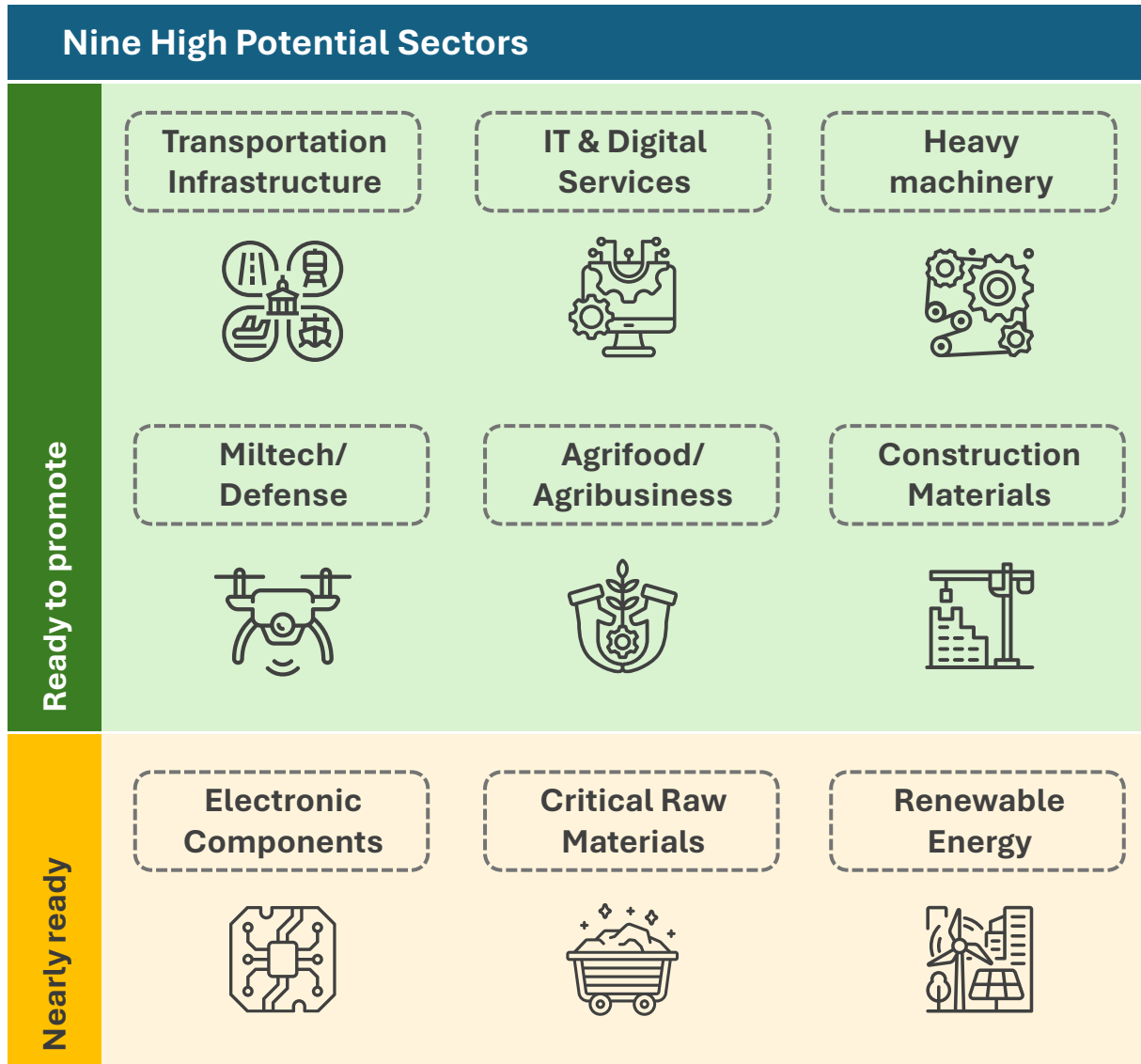
Putting it into action – Selected Policy Levers:

Increasing the Skilled Labor Force and Inclusive Social Recovery

Policy Lever	Recent Reforms and Actions Completed and Results	Near-term Reforms and Government Actions 2026-2027
Comprehensive labor code reform for a more flexible labor market	<ul style="list-style-type: none"> • Submitted draft modern labor code (replacing the Soviet-era labor code). Enact the code to create more flexible work arrangements, re-define employer-employee relationships, address specific barriers to female employment, improve social dialogue, define the minimum wage floor and process to set up the minimum wage, and reduce administrative burdens for firms to hire formally workers. 	
Integrated social and employment services for vulnerable groups inc. veterans and persons with disability	<ul style="list-style-type: none"> • Veterans Support Specialist program introduced • Adopted regulatory framework for integrated case management for cash+ approach for providing pathways out of vulnerability 	<ul style="list-style-type: none"> • Adopt legislation on state veteran policy to facilitate the transition of veterans from military service to civilian life. • Approve regulations, methodologies, by laws, and instructions for the delivery of a modern system of employment services and social services.
Strengthen training and skills programs in collaboration with the private sector	<ul style="list-style-type: none"> • Enacted law on Vocational Education and Training 	<ul style="list-style-type: none"> • Establish the regulatory framework and incentives to expand high-quality, job-relevant skilling and re-skilling programs in partnership with the private and education sectors, including PPP models.
Improve active labor market programs and employment services	<ul style="list-style-type: none"> • Launched the “Obriy” digital ecosystem, which will combine a job seeker’s dashboard, a job portal, applications for training programs and grants, and online registration for unemployment benefits. 	<ul style="list-style-type: none"> • Develop and approve regulations to overhaul the State Employment Service (SES).
Pension system overhaul fiscal sustainability	<ul style="list-style-type: none"> • The Government is looking at overhauling the pension system. The design of the reformed system and the pillars (State-funded basic pensions; Earnings-related/contribution-based component designed to promote formal work participation; and Occupational pensions for military and other hazardous professions to replace the current system of special pensions) is under consideration. The pension reform should strengthen the incentives for formal work participation, improve fairness and fiscal sustainability. 	
Improve targeting and efficiency of social assistance programs	<ul style="list-style-type: none"> • Basic Social Assistance program in pilot implementation status, with payment administration of 39 types of social benefits transferred to the PFU. 	<ul style="list-style-type: none"> • Launch a national Basic Social Assistance program, a well-targeted anti-poverty program, supported by a modern definition of “basic subsistence value” for benefit calculation (replacing the outdated Subsistence Minimum)

-> See Labor Force Deep Dive

Sectoral strategies will complement the horizontal policies/reforms by addressing industry-specific regulatory barriers, infrastructure bottlenecks and skills gaps

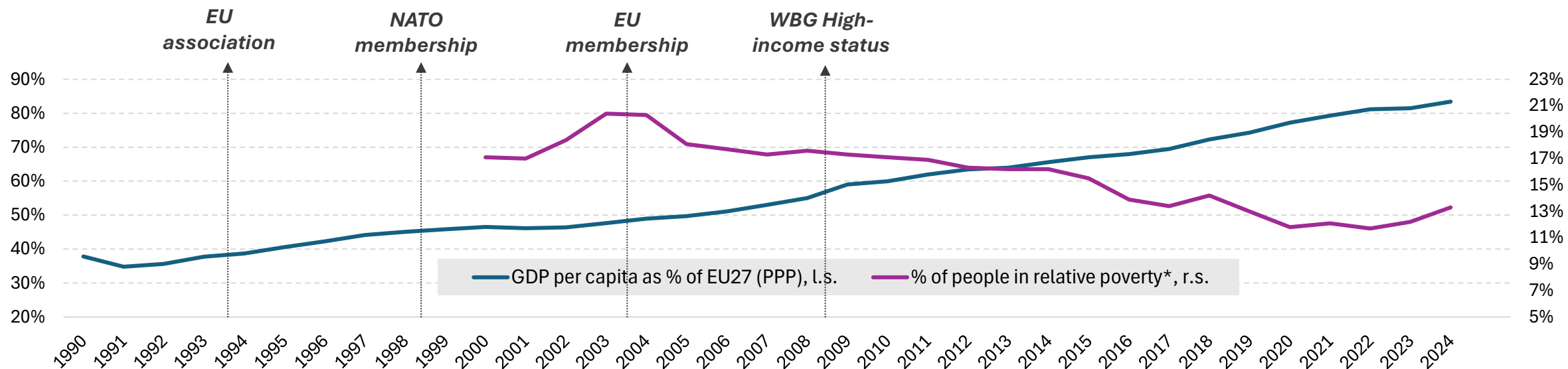


- ## Sectoral Strategies
- **Sectors with high foreign direct investment (FDI) potential** are attractive as they bring in **foreign capital**, accelerate technology transfers and **innovation** and expand **export markets**.
 - **Nine sectors with high FDI potential identified:** 6 ready-to-promote and 3 sectors requiring more targeted reforms and risk mitigation for potential to materialize.
 - **Realizing their growth potential** requires horizontal business environment reforms with **sector-specific strategies** (as per the forthcoming **“Smart” Industrial Strategy**). Examples:
 - **Agrifood:** Strengthen production and exports through water investments, access to finance (including the reformed 5-7-9 lending program, guarantees) and pilot and scale-up EU-compatible investment programs in the agri-food sector.
 - **Transport Infrastructure:** PPP and concession implementation, SOE reform, rail market liberalization, EU-aligned road standards.
 - **Construction Materials:** Streamlined certification, green finance, skills development, EU-aligned construction standards and building energy codes.
 - **Renewable Energy:** Wholesale market liberalization, market-aligned tariffs, renewable auctions, arrears clearance, and EU electricity market integration.

-> See Sectoral Strategies Deep Dive

It can be done: Poland leveraged its EU membership to establish a strong foundation for reforms

Income convergence and poverty rates in Poland



Transformation reforms:

- **Debt restructuring**
- **Exchange rate realignment**
- **Trade and price liberalization**
- **Financial sector strengthening** (inc. recapitalization of banks)
- **Tax reform** (VAT)

Pre-EU accession reforms:

- **Europeanisation of state structure and law:** the EU's *acquis communautaire*
- **Privatization**
- **Pension system reform**
- **Decentralization and administrative reform** – consolidation of voivodships (important for the effective absorption of EU funds)
- **Health:** new financing and insurance mechanisms
- **Education:** restructuring of school system.

Post-Global Financial Crisis reforms:

- **Financial supervision:** stronger powers for the Financial Supervision Authority, strengthened deposit guarantee scheme
- **Fiscal framework:** new expenditure rule, stricter borrowing limits for local governments
- **Consumer and market protection:** stricter banking and consumer credit laws
- **EU funds:** streamlining and accelerating the use of EU structural and cohesion funds as a counter-cyclical stimulus

Distributional and post-Covid reforms:

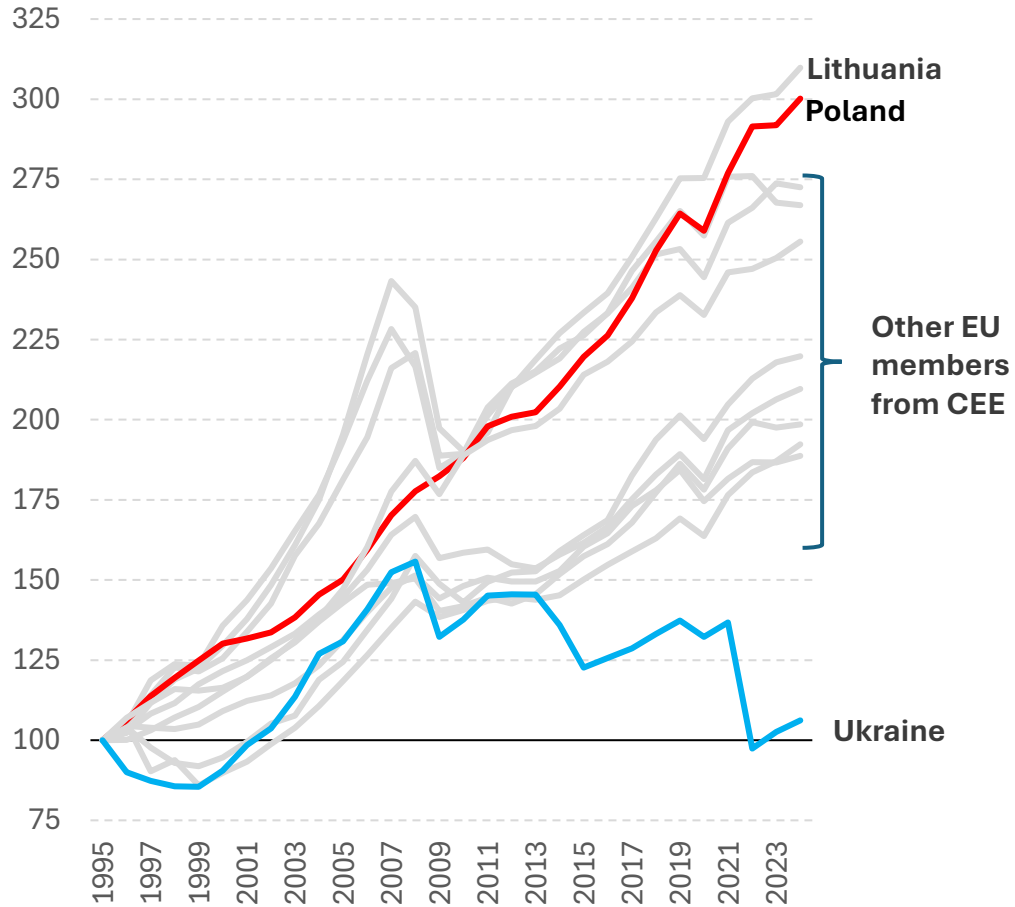
- **Social transfers:** universal child-care benefit, additional pensions
- **Labor market:** rapid increases in minimum wage; extension of social security to more civil law contracts
- **Public finances:** VAT/Corporate income tax “sealing” measures (Standard Audit File of Tax, split payment).
- **Public investment:** Strategic Investments Program: 100 bn zloty for local investments

* expenditures below 50% of the average monthly per capita expenditures in households (no pre 2000 data)

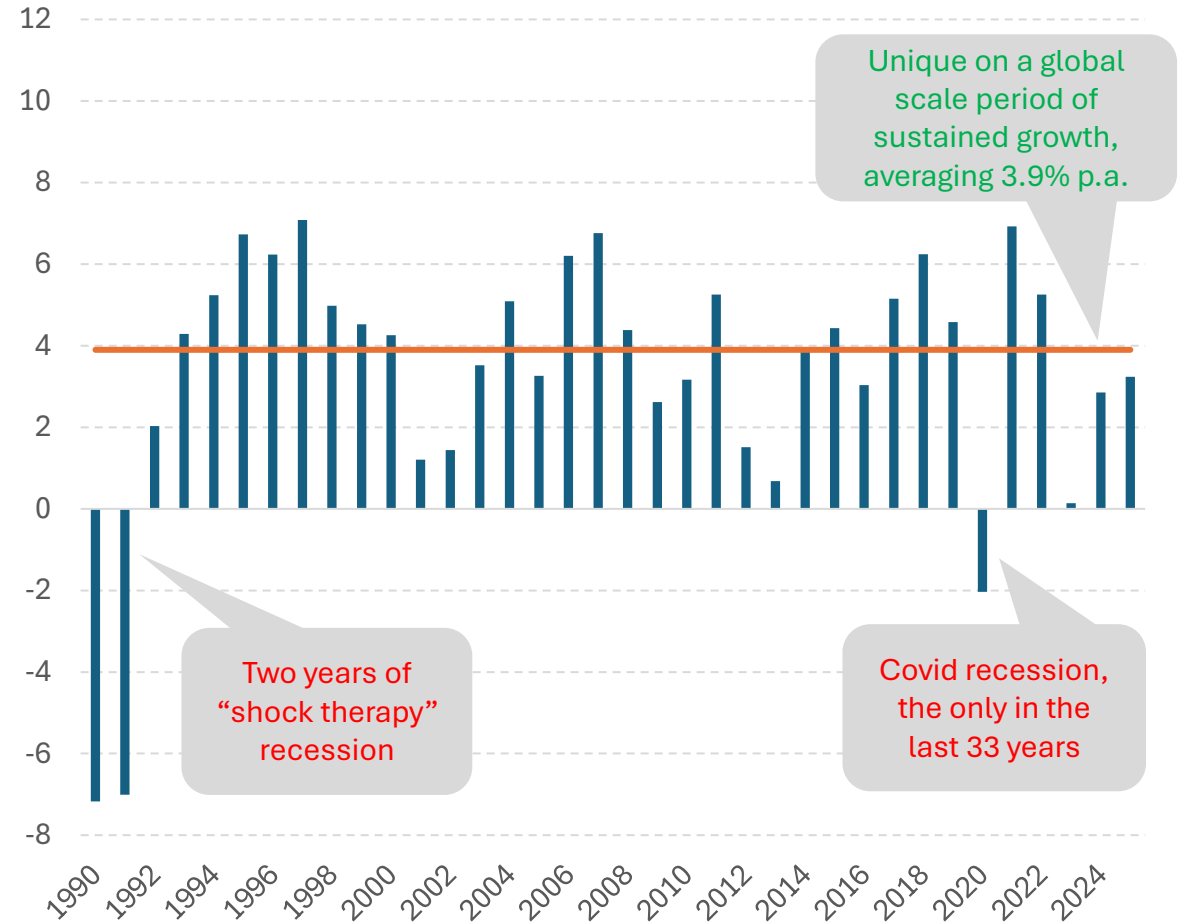
Source: World Bank, GUS, IMF – WEO database

It can be done: Poland's reforms and EU accession drove strong and sustainable GDP growth to reach high-income status in less than 20 years

Cumulative real GDP change
1995=100*



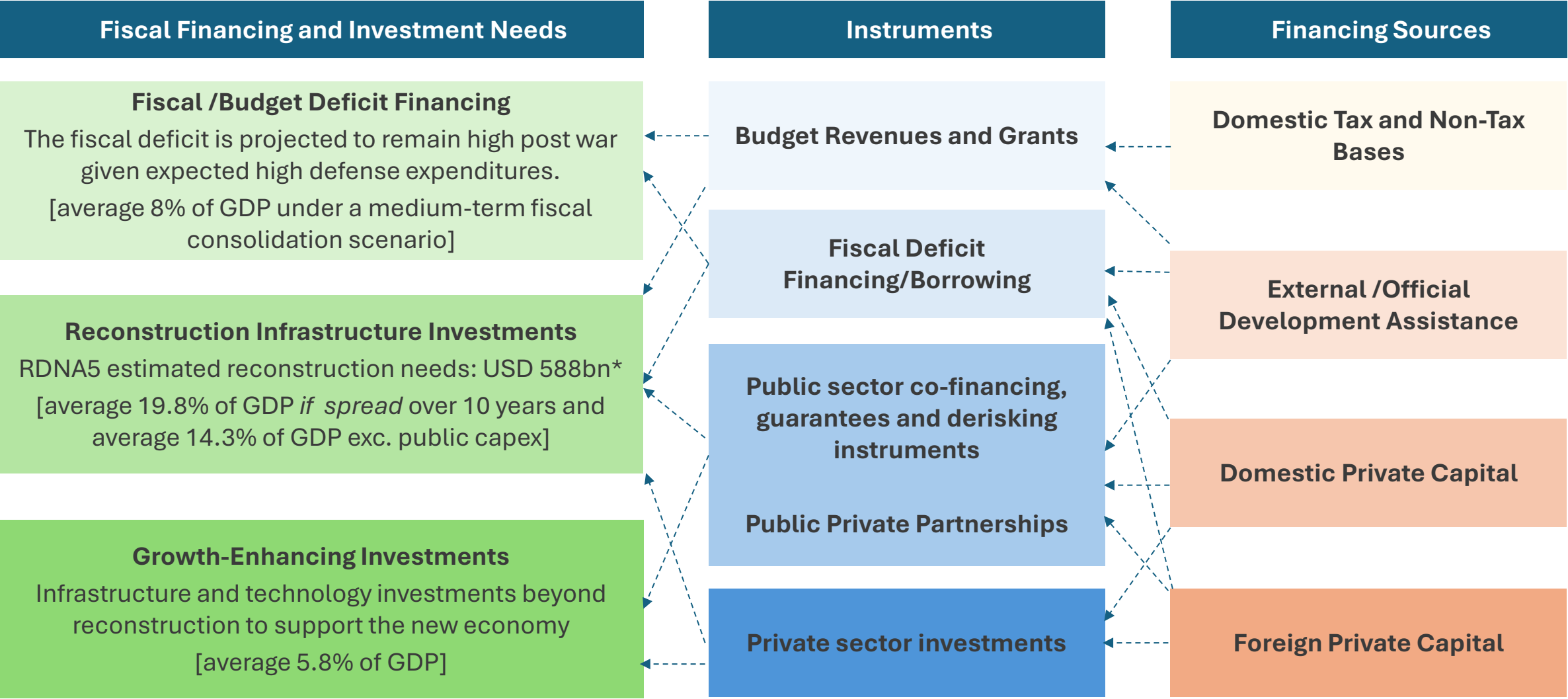
Real GDP growth in Poland %



*1995 is taken as the base year due to the lack of earlier data for some countries (these countries emerged after 1990 from the USSR, Czechoslovakia, and Yugoslavia).
Source: World Bank, IMF – WEO database (April 2025)

-> See Poland Reform Experience

Ukraine will have significant recovery and reconstruction needs in the first 10 years – to meet them will require the range of financing sources and instruments



*While the majority of this would be capex, some current expenditures for recovery programs are included.

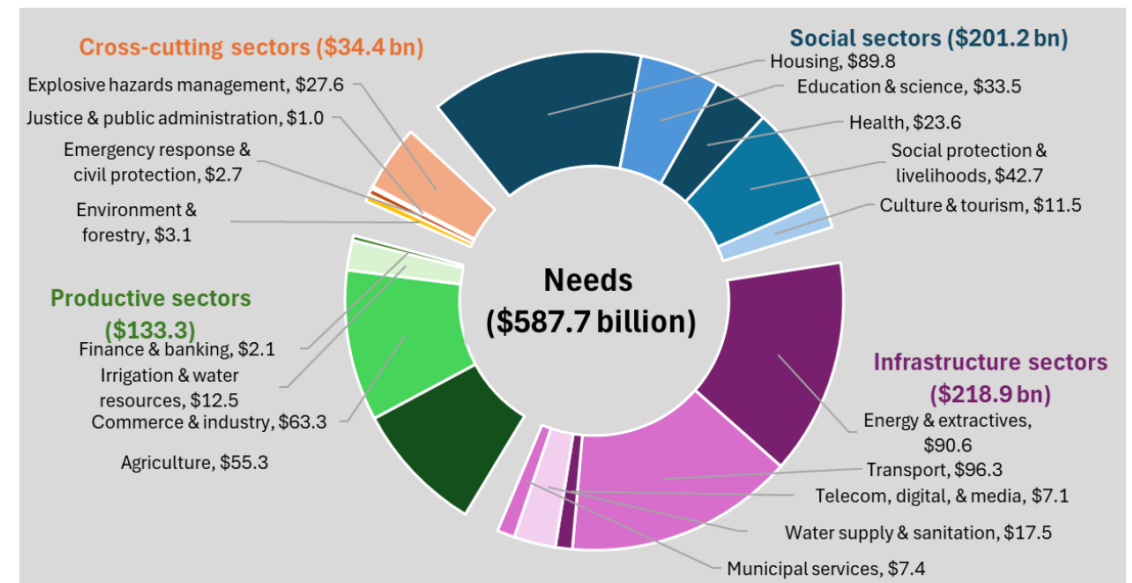
Reconstruction needs are large but if done right can revitalize local economies and support an investment-led growth path

- **The Rapid Damages and Needs Assessment (RDNA)** is a comprehensive tool assessing damages, losses and needs to guide the Ukraine's recovery and reconstruction needs
- **Five RDNAs completed.** RDNA5 launched February 2026
- **Joint assessment:** Government of Ukraine, European Commission, United Nations, World Bank Group.
- **The private sector opportunity (PSO) analysis for RDNA5 estimated that 40% of reconstruction needs could be covered by the private sector i.e., are bankable, if reforms are done** to create a conducive environment for the private sector. High PSO sectors include **housing, energy, telecom/digital, agriculture and commerce/industry.**
- Of the remaining 60% private sector could be with involved with **public sector co-financing, guarantees and derisking instruments.**

DIRECT DAMAGE
US\$195 billion
 (RDNA4 = \$176 billion)

RECONSTRUCTION AND RECOVERY NEEDS
US\$588 billion
 (RDNA4 = \$524 billion)

TOTAL RECOVERY AND RECONSTRUCTION NEEDS (US\$ BILLION)



Note: RDNA5 covers period February 24, 2022, to December 31, 2025

In addition to reconstruction, growth-enhancing investments in high potential sectors would also be needed

ILLUSTRATIVE: Examples from the Government’s “Flagship Projects” List, May 2026 Draft

Sector	Project Name	Total Budget (\$M)
Transport – Roads	NATIONAL ROAD RECONSTRUCTION PROGRAM (M-30 HIGHWAY STRYI–UMAN–DNIPRO–IZVARYNE; M-15 ODESA–RENI; AND NATIONAL PUBLIC HIGHWAY NETWORK)	14 541.1
IT & Communications	AI & HPC DATA CENTER - UKRAINE SUPERPOWER HUB	6 340
Oil & Gas	EXPLORATION AND DEVELOPMENT OF UNCONVENTIONAL GAS DEPOSITS OF THE DNIPRO-DONETSK BASIN	2 297
Hydropower	CONSTRUCTION OF KANIV PUMPED STORAGE POWER PLANT	1 970
Renewable Energy	650 MW POLTAVA WIND FARM	1 403
Gas-Fired Power Plants	650 MW OF GAS-FIRED POWER GENERATION	1 203
Green Steel	CONSTRUCTION OF A NEW ELECTRIC ARC FURNACE (EAF) AND CONTINUOUS CASTING MACHINE (CCM) AT KAMET STEEL	1 100
Renewable Energy	PLAKHTIYIVKA ENERGY COMPLEX	1 053
Renewable Energy	BATTERY ENERGY STORAGE SYSTEM (BESS) PROJECTS	1 000
Green Steel	GREEN EAF-BASED FLAT STEEL PRODUCTION	1 000
Green Steel	PRODUCTION OF DR-GRADE PELLETS	527
Critical Raw Materials	INCREASE IN URANIUM ORE MINING AT NOVOKOSTIANTYNIVSKE DEPOSIT	526.2
Transport – Airports	PPP: RENOVATION AND EXPANSION OF LVIV AIRPORT CLUSTER + 1 REGIONAL AIRPORT	450
Critical Raw Materials	BGV GRAPHITE: SPHERICAL PURIFIED GRAPHITE	328
Construction Materials	CONSTRUCTION OF A FLOAT GLASS PLANT (EFI GROUP)	306.2
Critical Raw Materials	UKRAINIAN CRITICAL RAW MATERIALS CLUSTER – TITENIUM & OTHER	250

A policy adjustment would be needed to ensure Ukraine has the fiscal resources to meet its government capex targets

Public capital expenditure is a key component of reconstruction investment

- Physical infrastructure is a pre-condition for investment and productivity and is, in many cases, a public good.
- The RDNA5 PSO analysis assesses that ~40 percent of reconstruction needs is directly bankable by the private sector.
- The rest would need to be public investments or involving public sector co-financing, guarantees and derisking instruments.
- Under UEF scenarios, government capex is targeted at 5.5% of GDP per year (what is realistic/affordable given expected high defense and social expenditures).

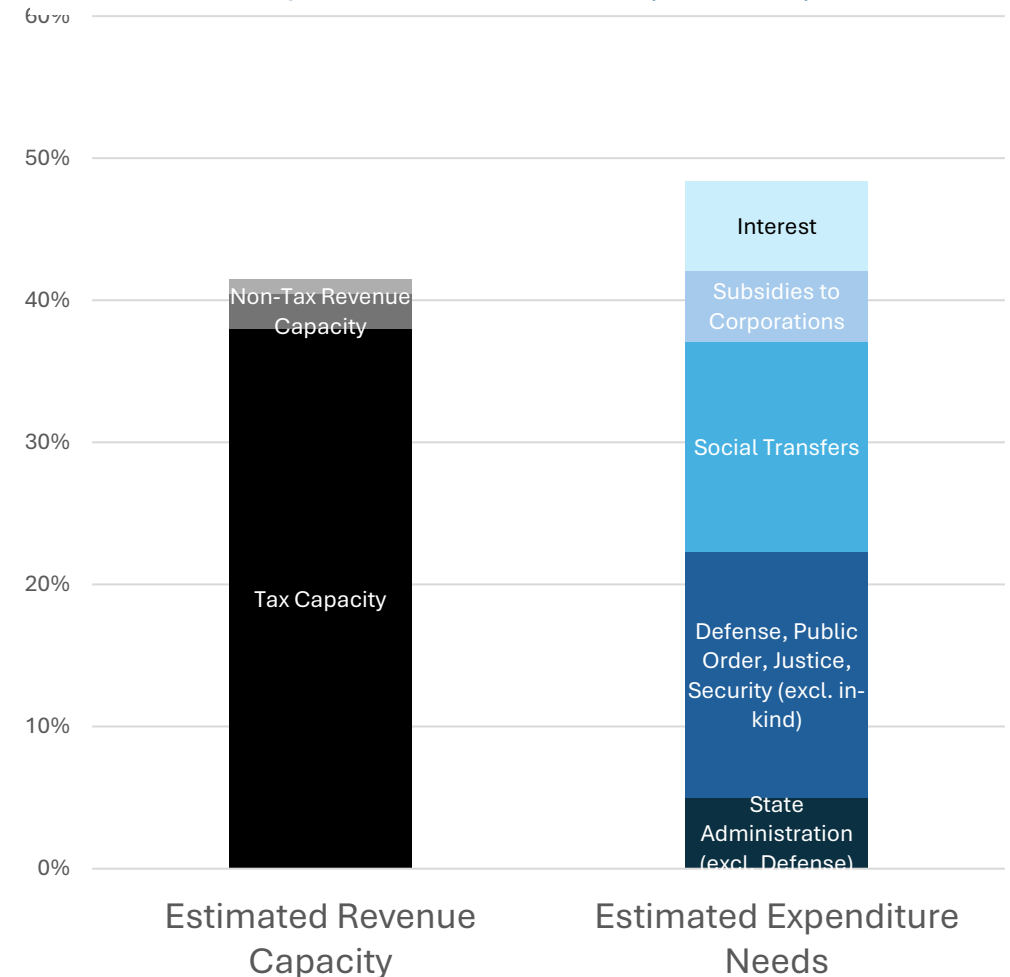
Ukraine has limited fiscal resources for capex without a fiscal policy adjustment.

- Domestic revenue and grant capacity with current policies is estimated at about 42% of GDP.
- Projected non-capex expenditures under current policies significantly exceed this envelope.

To make space for the targeted capital expenditure, a growth-enhancing fiscal policy adjustment is needed.

-> See Fiscal Policy for the UEF Deep Dive

Fiscal Balance without Fiscal Adjustment
Estimated Domestic Revenue Capacity and Non-Capex
Expenditure Needs in t+4 (% of GDP)



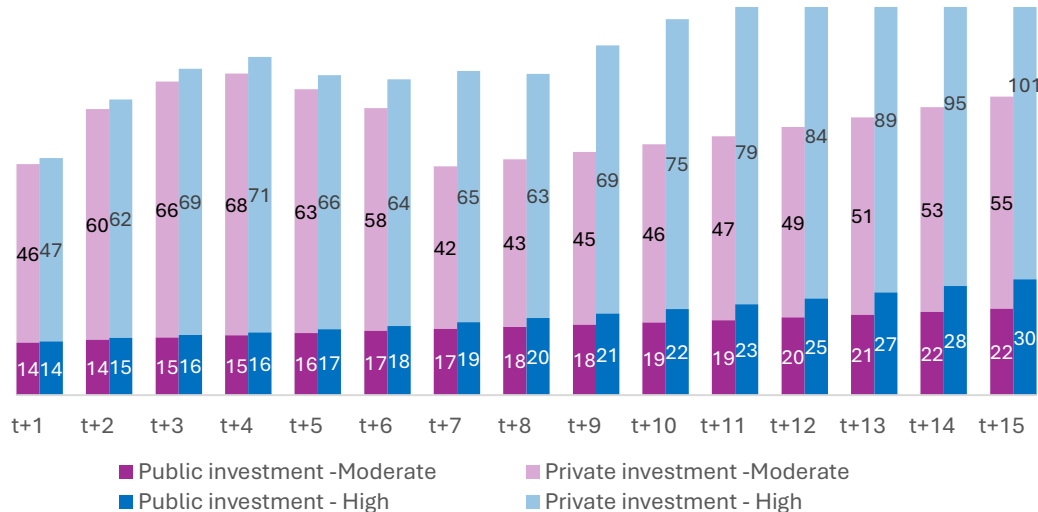
Multiple sources of private capital, both domestic and foreign, would need to be tapped to support the needed investment scale up

Significant increase in annual investment from 16% of GDP (pre-war average) to just below 30% during reconstruction, converging to a steady state of 19% in the moderate-reform scenario and 24% in the high-reform scenario.

Private investment will comprise 75-80% of total investment over 10 years as public capital expenditures will be fiscally constrained (assume constant as % of GDP in both scenarios).

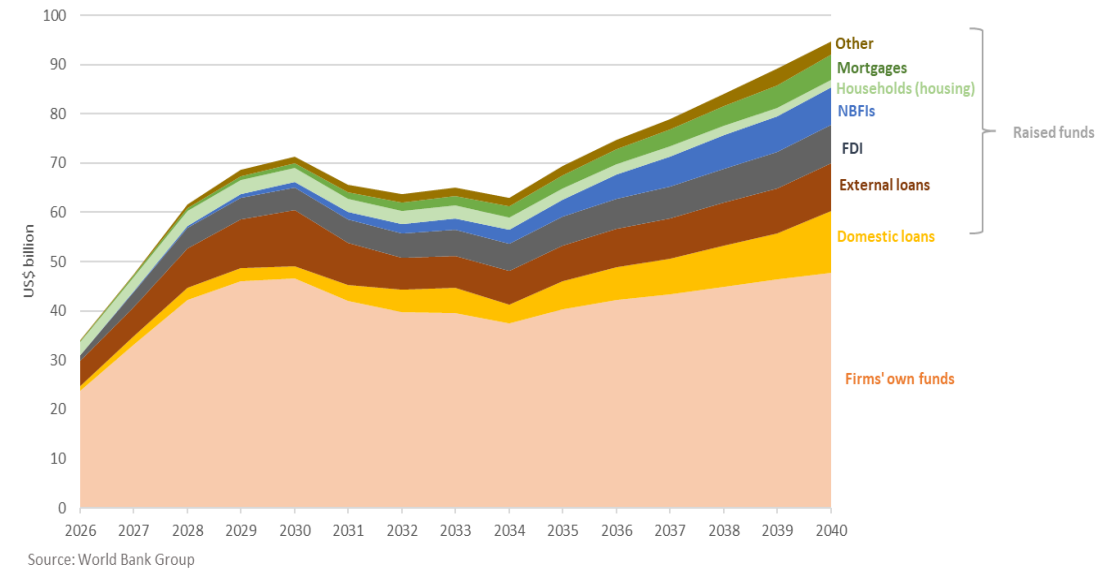
- Moderate growth scenario:** Total annual investment rate of 19% of GDP in the steady state from t+7 (5.5% public and **13.5% private**).
- High growth scenario:** Total annual investment rate of 24% of GDP in the steady state from t+8 (5.5% public and **18.5% private**).

Public and Private Investment Needs by UEF Growth Scenarios, 2025 USD bn



Private Capital Sources

Simulation of private investment by source to support the UEF “high growth” scenario



-> See Private Capital Mobilization Deep Dive

Continued strong international support and partnerships in economic, financial and technical spheres would help Ukraine realize the Economy of the Future



Role of international partners

- **Facilitating access to markets and trade integration:** Strengthening trade integration and harmonization with the EU and other key economic partners to support export sectors and enable global value chain integration.
- **Enabling foreign investment** to bring in capital for recovery and reconstruction and enable technology transfers for innovation.
- **Defense-specific assistance would alleviate the burden on the general budget** as total defense spending is expected to remain elevated.
- **Providing fiscal financing during recovery;** external financing will help avoid crowding out of private sector borrowing.
 - **External grants/concessional financing** would make the fiscal consolidation path less steep and mitigate social impacts.
 - **Budget support** conditional on policy actions help stay the course on challenging reforms.
 - **Investment financing** can help meet reconstruction capex needs.
- **Technical assistance support complex reforms, progress towards EU accession and a “build back better” reconstruction.**

What is next? The UEF is not a static document, the content will continue to be expanded, revised and improved. At the same time, the Ministry of Economy will engage stakeholders and work on operationalizing the UEF

May to December 2026

Stakeholder Engagement

- Government
- Private sector
- Think tanks and CSOs
- Development partners
- The Public
- Outreach events planned domestically and externally, including at the URC end June in Gdansk

Operationalization

“Phase III” New Analytical Content

- Spatial dimension and regional economic strategies
- Deep dives on critical infrastructure sectors:
 - Energy
 - Transport and connectivity
 - Housing
- Modelling of the economic impacts of key reforms
- Further work on private capital mobilization
- Further work on fiscal policy options

If you are doing analytical work in these areas and would like to collaborate, please let us know!

Ukraine Economy of the Future

OPPORTUNITIES

- EU integration and accession as the anchor for structural reforms and increase access to markets
- New sectors, technologies and innovations in which Ukraine is a world leader
- Reconstruction offer strong investment opportunities
- Strong support from international community and vibrant civil society

CHALLENGES

- Acute labor shortages
- Creating economic opportunities for veterans and displaced persons
- Significant fiscal financing and private sector investment needs
- Perceived high investor risks due to state footprint, shadow economy, and weak rule of law

ACCELERATING REFORMS IN FOUR HORIZONTAL POLICY AREAS AND SECTORAL STRATEGIES

Foundations for Growth: Macroeconomic Stability, Rule of Law and Private Capital Mobilization

01



02



Liberalizing the Economy and Enabling Businesses

PRIVATE SECTOR-LED ECONOMIC RECOVERY

Sectoral Strategies

Sectoral Strategies

Sectoral Strategies

Sectoral Strategies

Increasing the Skilled Labor Force and Inclusive Social Recovery

04



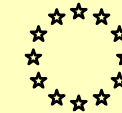
03

(Re)building and Modernizing Critical Infrastructure

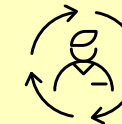
VISION



Private sector at the center of an innovative, investment-driven liberal economy, breaking away from the old economic model



Economy ready for EU Accession: Stronger institutions and rule of law to EU standards



Higher sustained per capita income, with more people in better / more productive jobs



A fair and inclusive economy supporting social cohesion