WORLD BANK GROUP SUPPORT TO **UKRAINE**

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UKRAINE LOOKS TOWARD THE FUTURE

More than three years into Russia's invasion, the toll on Ukraine's economy, infrastructure, and people is staggering. The country's recovery needs are vast—an estimated **$524 billion** over the next decade, according to the February 2025 Rapid Damage and Needs Assessment (RDNA4).

Meeting this challenge will require strong collaboration between the public and private sectors. The public sector alone cannot meet Ukraine's needs. According to earlier estimates from the International Finance Corporation, private sector financing could cover **up to one-third** of the country's total recovery costs—bringing capital, innovation, technology, and jobs.

Investing in recovery and reconstruction is essential for both long-term resilience and for Ukraine's path to EU accession. Achieving this vision requires the country to accelerate and deliver on its ambitious reform agenda, aimed at creating a more competitive economy built on a business-friendly climate and a robust regulatory framework.

Key reforms include:
- Strengthening macro-fiscal sustainability and governance
- Rebuilding critical infrastructure by creating functioning markets and attracting private capital
- Boosting business dynamism and productivity by reducing informality and increasing competition
- Activating the labor market while reforming social protection programs and strengthening social cohesion

At the same time, the country faces significant challenges: widespread destruction, severe labor shortages, macroeconomic imbalances, and mounting social pressures. Labor force disruptions from displacement, brain drain, and the need to retrain returning soldiers must all be addressed along with the education gaps faced by a generation of students affected by the conflict.

Yet even in crisis, Ukraine's resilience has stood out. The government has kept critical social and health services running, children remain in school, and businesses continue to operate. Despite these efforts, economic growth is expected to slow to **2% in 2025** (World Bank Source).

DONOR SUPPORT

International donor contributions—channeled through World Bank projects—are sustaining public services, repairing critical infrastructure, and supporting agriculture. These efforts are reaching over **20 million Ukrainians**.

These commitments and pledges leverage innovative instruments, such as IBRD and IDA loans, IBRD loans guaranteed by partners, donor grants and equity, IFC blended finance and MIGA guarantees.

Looking forward, rebuilding Ukraine will require immense resources, institutional resilience, strong governance, and global partnership. Continued international support and partnerships in trade, investment, financial and technical assistance remains vital.

THE WORLD BANK GROUP'S ROLE

The World Bank Group works closely with international partners and donors to align support with Ukraine's EU accession priorities.

Our strategy operates on two parallel tracks:

- **Emergency support** to keep essential services functioning
- **Laying the groundwork** for long-term reconstruction and reform

We are helping the government shape its post-war economic strategy: the "**Ukraine Economy of the Future**"—a private-sector-driven economy, ready for EU membership.
With deep experience in post-conflict recovery and extensive global experience supporting development-oriented reforms, the World Bank Group is uniquely positioned to help rebuild Ukraine bringing robust oversight and technical expertise. Over the past three years, we have scaled up projects, launched multi-donor trust funds, and channeled guarantees and parallel financing from donor countries.

Our support for Ukraine includes protections and oversight measures, including audits, to make sure financing reaches its intended recipients. We routinely monitor our Ukraine portfolio for evidence of fraud and corruption and have robust mechanisms in place to swiftly deal with any reports of irregularities.

Unlocking private sector growth hinges on improved access to finance, investment de-risking, regulatory reform, and governance. Our strategy going forward – through the IFC, the World Bank Group's private sector arm - is to support greater resilience of firms and inclusion of vulnerable groups and maximizing private finance for reconstruction, focused on priority sectors such as housing and construction, energy, agriculture, transport and logistics, and the financial sector.

WORLD BANK

The PEACE Project (Public Expenditures for Administrative Capacity Enhancement) helps to ensure that essential public services continue to function.

The project retroactively reimburses the government for verified expenditures such as:

- Public sector wages
- Teacher and civil servant salaries
- Pensions for the elderly
- Social programs for vulnerable populations

The World Bank also launched **framework projects** to respond to priority needs, support recovery and build capacity for reconstruction in **health**, **energy**, **transport**, **housing**, **agriculture** and **education**.
These projects are designed to be flexible, scalable, and quick to disburse—with appropriate fiduciary, environmental, and social safeguards in place. IBRD funding is secured through bilateral guarantees provided by development partners.
The Bank also supports **development policy** and **investment operations** needed to strengthen the country's **economic policy framework and enhance its macro-financial stability** as well as provide urgent **relief to households, support reforms of public resources expenditures and help markets function better**.

IFC

With enabling reforms, the private sector can cover one-third of Ukraine's reconstruction needs and remains key to economic resilience. IFC, with its focus on the private sector, has stood by Ukraine since the first day of the invasion and continues to provide support.

Initially focused on short-term support such as guarantees and liquidity, IFC has shifted toward longer-term financing, including capital investment in areas, such as food production, telecom, technology, construction, and energy. IFC is leveraging it's advisory services and financing to support key sectors, including energy, transport and logistics, housing, agribusiness, and financial institutions, to ensure comprehensive support for Ukraine's private sector.

Since February 2022, IFC has delivered $2.2 billion to support Ukraine's private sector, including $760 million mobilized, as part of its Economic Resilience Action program. Concessional finance from partners continues to be critical to derisking and scaling private sector investments. Development partners also continue to fund IFC's advisory and upstream (pre-investment) programs in Ukraine – supporting private sector resilience, conducting sector analysis, and building capacity for reconstruction.

MIGA

Since Russia's invasion, MIGA has issued six guarantees in Ukraine. MIGA also established the **SURE Trust Fund** to help deploy a two-fold strategy in the country: (a) enable private investment by providing guarantees – political risk insurance (PRI), trade finance guarantees, and credit enhancement – to investors and lenders; (b) ensure that projects are implemented in accordance with global best practices on integrity, environmental, social, and climate standards.
Amid limited availability of private reinsurance, the SURE Trust Fund enables MIGA's guarantee issuance in Ukraine by sharing up to 75% of the risk. In the immediate term, MIGA is providing guarantees to support trade in essential goods, continued bank lending to firms including SMEs, as well real sector projects that have clear demonstration effects. Once peace returns, MIGA expects to use the reinsurance market to provide PRI guarantees for real sector projects at scale.

URTF

To swiftly mobilize efforts for reconstruction, the World Bank has established the **Ukraine Relief, Recovery, Reconstruction and Reform Trust Fund (URTF)**, a multi-donor fund to channel grant contributions from donor partners.
The URTF's objectives are to help sustain the country's administrative and service delivery capacity, conduct relief efforts, as well as to support the planning and implementation of Ukraine's recovery, resilient reconstruction, and reform agenda.
The URTF supports the World Bank's Framework Projects and ensures that the Ukrainian authorities can quickly and effectively utilize these critical investments and leverage the multiple sources of financing efficiently and at scale.

MIGA

PARTNERS

Donor governments:

Austria, Belgium, Canada, Denmark, Finland, Germany, Italy, Japan, Latvia, Lithuania, Iceland, Indonesia, Ireland, the Netherlands, Norway, the Republic of Korea, Sweden, Switzerland, Spain, the United Kingdom, and the United States.

IFIs

EIB, EBRD, EC, IMF, CEB

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