Ukraine's recovery: a transatlantic imperative

Ukraine's recovery is one of Europe's most urgent and ambitious challenges, demanding sustained investment from governments and industry. Now, as the EU prepares to publish its revised Multiannual Financial Framework (MFF), aligning the bloc's long-term financial planning with Ukraine's reconstruction and integration process is critical.

The €50 billion Ukraine Facility is an important tool to fund Ukraine's recovery and drive its convergence with EU norms. However, to be most effective, the Facility must be embedded in a long-term investment vision that goes beyond 2027, aligning with these five priorities:

Five priorities for Ukraine's recovery

01. Strengthening governance

Investors are more likely to commit capital to markets with reliable institutions. Ukraine's recovery will therefore depend on good governance, featuring dialogue with investors, fair dispute resolution mechanisms and contract reforms. This will not only reduce investor risk and concerns over corruption, but also build the institutional foundation needed for EU membership.

Recommendations:

- Ensure close coordination between Directorate-General ENEST and other relevant DGs so recovery programmes account for a fuller picture of the obstacles to and the factors that drive private investment.
- Use both recovery and EU integration initiatives to enable rule of law and procurement reforms in Ukraine. For procurement, ongoing reforms must ensure a better balance between price, quality and performance, in alignment with EU norms.

02. Establishing fair access to all trustworthy partners

Ukraine's recovery will require predictable, large-scale investment, making support from a range of public and private sources essential. Exclusion of international businesses weakens confidence and undercuts the EU's broader goal: a democratic, open-market Ukraine aligned with Europe's values and standards. To succeed, programmes for investing in recovery must be inclusive, competitive and transparent.

Recommendations:

- Avoid the exclusion of US and other international companies from Pillar 1 tenders or Pillar 2 investment tools.
- Create a structured forum for businesses, including international companies, to provide input on the design of financial tools.

03. De-risking to unlock investment

Ukraine's OECD risk classification remains at the highest level. As a result, private capital will not flow without comprehensive de-risking measures.

Recommendations:

- Expand de-risking mechanisms such as political risk insurance, loan and credit guarantees and equity risk-sharing solutions.
- Scale and integrate established de-risking tools across the Ukraine Facility and future EU initiatives.

04. Financing the real economy

With benchmark interest rates at 15.5%, even viable businesses – especially SMEs – struggle to access financing needed to support Ukraine's recovery.

Recommendations:

- Support blended finance for working capital and growth.
- Build liquidity channels through local banks and international financial institutions.
- Facilitate financing for supply chain reconstruction and market entry.

05. Laying the foundation for EU integration

Ukraine's EU integration is a growth strategy. The country's recovery and EU accession process must be mutually reinforcing.

Recommendations:

- Ensure recovery funding supports reforms aligned with the EU laws.
- Design investment and learning tools to help Ukrainian firms prepare for the Single Market.
- Accelerate Ukraine's regulatory alignment and infrastructure modernisation in parallel.
- Establish a predictable trade relationship between the EU and Ukraine, reflective of the ambition of EU membership, that will enable investment prior to accession.

American businesses are ready to work with Ukraine, the EU and national governments to help build a resilient, market-ready Ukraine that contributes to and benefits from the European project. Through an open, long-term investment strategy, the EU can ensure international investors have a seat at the table and a clear path forward.

Questions? Contact UATF@amchameu.eu