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UKRAINE ECONOMY & INVESTMENT DIGEST



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Executive summary

June 2026 brought several important developments for Ukraine's economy and investment agenda, combining a formal step in the EU accession process with the first disbursements under the EU's EUR 90 billion Ukraine Support Loan and a large Ukraine Recovery Conference in Gdańsk. On 15 June, the EU and Ukraine opened the first accession negotiations cluster, moving the accession process into a more technical and legally structured phase. On 25 June, the European Commission disbursed the first EUR 3.2 billion budget-support tranche under the Ukraine Support Loan, followed by a EUR 3.9 billion drone-financing tranche on 30 June. The Ukraine Recovery Conference (URC2026), held on 25–26 June, generated more than 160 agreements reported by Ukraine at over EUR 10 billion.

The policy environment remained shaped by two parallel pressures: financing wartime budget and defence needs while keeping the private sector functioning. The National Bank of Ukraine kept its key policy rate at 15% on and indicated that further tightening remains possible if inflation pressures intensify. The IMF reached a staff-level agreement on the first review of Ukraine's four-year Extended Fund Facility programme, potentially unlocking a further USD 690 million, while noting delays in some structural benchmarks.

From an investor perspective, June highlighted three main points: EU accession is now an active negotiating process linked to concrete reform benchmarks; part of the recovery and defence-financing agenda is moving from announcements to actual disbursement; and energy resilience, defence-industrial capacity, transport connectivity and EU-aligned procurement remain among the main areas where private capital can engage.

June's developments suggest that recovery financing is becoming more closely linked to reform benchmarks, project readiness and donor reporting requirements. The month also brought two domestic policy signals: a new Export Strategy through 2030 aimed at higher-value-added exports, and a medium-term public investment plan for 2027–2029 setting priorities for the public project pipeline.

Key figures

EUR 3.2bn Budget-support USL tranche disbursed	**EUR 3.9bn** Drone-financing tranche transferred
EUR 7.1bn Total USL disbursements by end-June	**EUR 10bn+** URC2026 agreements reported by Ukraine
15% NBU key policy rate, held on 18 June	**USD 690m** Potential IMF EFF tranche after first review

1. EU accession and financing signals

EU and Ukraine open the first accession negotiations cluster

On 15 June, the EU and Ukraine opened negotiations on the ‘fundamentals’ cluster at an Intergovernmental Conference in Luxembourg, following agreement among all 27 member states on 12 June after Hungary lifted its objections. The cluster covers the core values and institutions underpinning EU membership, including rule of law, fundamental rights, democratic institutions, public administration reform and economic criteria. It is the first cluster to be opened and the last to be closed, and includes chapters on the judiciary, anti-corruption, public procurement, statistics and financial control.

Ukraine has also received benchmarks for the remaining five clusters and was given a signal that some could open as early as mid-July. EU officials, however, stressed that the process remains merit-based and that there will be no fast-tracking. Even after negotiations are completed, ratification of a future accession treaty by all 27 member states would require additional time.

Opening the fundamentals cluster marks a formal step in Ukraine’s accession process and links future progress more directly to reform benchmarks on rule of law, public procurement and financial control. These are also areas that increasingly affect access to donor financing and public contracts.

First EUR 3.2 billion tranche of the EU Support Loan disbursed

On 25 June, the European Commission disbursed the first EUR 3.2 billion tranche under the EUR 90 billion Ukraine Support Loan. The payment falls under the loan’s budget-support component and is tied to public-finance-management conditions set out in the EU’s memorandum of understanding with Ukraine, including measures related to VAT on international parcels and taxation of income from digital platforms. On 30 June, the EU transferred a further EUR 3.9 billion under the same loan framework to support Ukraine’s drone procurement and defence-industrial needs, bringing total disbursements under the Ukraine Support Loan to EUR 7.1 billion by the end of June.

As of late June, EUR 42 billion had been reported under the Ukraine Facility since its launch, while Commission reporting around URC2026 put the EU’s cumulative economic, financial and military support to Ukraine since 2022 at more than EUR 211 billion. Ukrainian Prime Minister Yuliia Svyrydenko welcomed the disbursements but called for predictable financing decisions for 2027, noting that support beyond the current two-year window will require additional partner decisions.

URC2026: large recovery conference in Gdańsk

The fifth Ukraine Recovery Conference, co-hosted by Ukraine and Poland in Gdańsk on 25–26 June, drew nearly 8,000 participants from more than 70 countries and 38 international organisations. For the first time, the conference included a dedicated security and defence dimension alongside the business, human capital, regional and EU-integration tracks.

Ukraine’s delegation, led by Prime Minister Svyrydenko, reported more than 160 signed agreements worth over EUR 10 billion. Organisers later referred to nearly 200 signed documents, including agreements, contracts and memoranda. Headline outcomes included:

- A USD 3.39 billion agreement with the World Bank under the First Growth and Jobs Development Policy Operation, comprising a USD 1.04 billion loan (with UK and

Japanese guarantees) and USD 2.35 billion in grant funding from the F.O.R.T.I.S. Ukraine Financial Intermediary Fund.

- The launch of the European Flagship Fund for the Reconstruction of Ukraine, with EUR 220 million in initial public capital backed by the European Commission, Germany, France, Italy and Poland. Total launch commitments were reported at around EUR 260–265 million when the fund-manager contribution is included, with the fund aiming to mobilise up to EUR 7 billion in private investment in strategic sectors.
- The creation of the Ukraine Transport Support Fund and a new Energy Platform format intended to provide a more structured channel for international support to the transport and energy sectors.
- 28 energy-sector agreements worth nearly EUR 2 billion, including a EUR 900 million DTEK–GE Vernova agreement to build a 650 MW gas turbine plant, a EUR 65 million Notus Energy wind loan, and over EUR 550 million reported specifically to prepare for the 2026/2027 heating season.
- A dedicated defence-sector track generating EUR 343 million in EU guarantees and grants expected to attract over EUR 700 million in dual-use and defence-industrial investment.

URC2026 showed a continued shift toward larger blended-finance vehicles, including the Flagship Fund, the Transport Support Fund and the Energy Platform. This suggests that private investors, export credit agencies and IFIs are likely to engage increasingly through structured facilities rather than isolated pledges.

> *June confirmed that EU accession has moved from political commitment to active legal process, and that recovery financing is shifting from announcements to actual disbursement. For investors, the priority now is positioning projects and companies to engage with the structured financing vehicles — the Flagship Fund, the Energy Platform and the Transport Support Fund — that are replacing one-off pledges as the main channel for private capital.*

2. Macroeconomic and business environment

NBU holds the key policy rate at 15%, signals readiness to tighten

On 18 June, the NBU Board kept its key policy rate unchanged at 15%. Headline inflation eased to 8.2% year-on-year in May, helped by stronger raw food supply, while core inflation increased slightly to 7.9%. Both indicators remained above the central bank's April forecast, partly reflecting second-round effects from earlier energy price increases. NBU Governor Andriy Pyshny said the bank stands ready to raise the rate if inflationary pressures intensify, and the NBU now expects the policy rate to remain at 15% until at least the second quarter of 2027.

The hryvnia weakened from around UAH 44.2 to UAH 44.8 per US dollar between 1 and 18 June before partially correcting. The NBU linked renewed price pressure to energy-sector damage from Russian strikes, higher fuel prices connected to the war in the Middle East, the lagged effects of earlier hryvnia depreciation and continued wage growth amid labour shortages. External financing remained an important stabilising factor, with June inflows supported by bilateral assistance, the Extraordinary Revenue Acceleration mechanism and the Ukraine Support Loan.

IMF reaches staff-level agreement on first EFF review

On 12 June, IMF staff and the Ukrainian authorities reached a staff-level agreement on the first review of the four-year, USD 8.1 billion Extended Fund Facility programme and concluded the 2026 Article IV consultation. All end-March quantitative performance criteria were met, while two structural benchmarks were implemented late and one - the removal of the VAT exemption on international parcels - was missed and rescheduled for July. Subject to Executive Board approval, the review would unlock access to roughly USD 690 million, bringing total programme disbursements to about USD 2.2 billion.

The IMF revised its 2026 real GDP growth forecast for Ukraine down to a range of 1.0–1.6%, citing the continuing war and spillovers from the conflict in the Middle East. It welcomed the NBU's gradual increase in exchange-rate flexibility and reiterated the importance of preserving the central bank's independence and resourcing anti-corruption institutions. The review took place while Russia launched large-scale missile and drone attacks on Kyiv on 2 and 14–15 June, underscoring the operating conditions under which Ukraine's reform programme continues.

Business sentiment: still positive, but weaker in June

The NBU's Business Activity Expectations Index stood at 50.4 in June 2026, down from 52.1 in May but still above the neutral 50-point level and slightly above June 2025. Businesses gave positive assessments of their performance for the fourth consecutive month, although confidence weakened as energy, fuel, exchange-rate and labour constraints remained significant.

> *Businesses should expect more external financing to be disbursed in the second half of 2026, while still facing fuel and energy cost volatility, tight monetary conditions, and higher compliance expectations linked to EU accession benchmarks and IMF programme conditions.*

3. Investment pipeline and project preparation

Public procurement reform signed into law

On 23 June, President Zelenskyy signed the Law on Public Procurement (No. 11520), which the Verkhovna Rada had passed on 27 May after a long legislative process. The law aligns a substantial part of Ukraine's wartime procurement system with EU rules, introduces clearer mechanisms for dividing large tenders into lots to widen access for regional and smaller suppliers, allows alternative tender proposals, and updates framework agreements and dynamic purchasing systems. It is also connected to the EU accession fundamentals cluster opened on 15 June and helped support the World Bank development policy financing signed at URC2026. The law is expected to enter into force after a nine-month transition period, with secondary legislation and Prozorro updates to follow.

Energy resilience and heating-season preparation

Beyond the URC2026 energy agreements described in Section 1, the EBRD signed letters of intent for Germany (EUR 45 million) and Norway (EUR 10 million) to contribute to the Renewable Acceleration and Market Development for Ukraine programme, a price-stabilisation mechanism co-developed with the World Bank. The mechanism is expected to support up to 1 GW of new renewable capacity and could mobilise up to EUR 1.5 billion in investment. The EBRD also extended municipal financing, including a EUR 15 million loan to Kharkiv accompanied by a EUR 17 million EU investment grant, and a EUR 12 million loan to Rivne complemented by up to EUR 6 million in grant funding, to support distributed heat and electricity generation ahead of the 2026/2027 heating season.

Project readiness implications: with over EUR 550 million reported for winter preparation and a formal Energy Platform established at URC2026, suppliers, engineering firms and municipalities with well-prepared distributed-generation and grid-resilience projects may be better positioned to access financing through the second half of the year.

Medium-term public investment plan approved for 2027–2029

In June, the Cabinet of Ministers approved the Medium-Term Plan of Priority Public Investments for 2027–2029, with a total indicative volume of UAH 270.9 billion. The plan covers 18 priority sectors, 44 subsectors and 67 main public-investment directions, while setting five cross-cutting priorities: energy efficiency, digitalisation, climate response, gender equality and accessibility.

The plan is a prerequisite for forming Ukraine's Unified Project Portfolio of Public Investments. Project proposals are to be submitted through the DREAM system, supporting a more transparent approach to public-investment planning for international partners, businesses and citizens. For municipalities, state agencies and contractors, this makes project readiness, prioritisation and documentation quality more important for accessing future public and donor-backed financing.

> *The combination of a signed procurement law, over EUR 550 million mobilised for energy winterisation and a new public investment plan creates a more structured pipeline environment for the second half of 2026. Companies and municipalities with bankable, well-documented projects in energy resilience, transport and municipal infrastructure are better positioned than those still at the concept stage.*

4. Business support, SME finance and sector developments

World Bank development policy financing reaches the private sector

The USD 3.39 billion World Bank First Growth and Jobs Development Policy Operation signed at URC2026 is designed to support macro-financial stability and private-sector growth, with grant funding channelled through the F.O.R.T.I.S. Ukraine Financial Intermediary Fund. Together with other risk-sharing and guarantee instruments, the operation points to continued use of blended public-private financing structures to reduce investment risks in a wartime economy.

New Export Strategy adopted through 2030

On 4 June, the Cabinet of Ministers approved Ukraine's new Export Strategy through 2030, setting a framework for strengthening export capacity during the war, recovery and deeper EU integration. The strategy focuses on increasing production and exports of higher-value-added goods and services, supporting processing industries, improving access to external markets, developing export finance instruments and expanding the participation of micro, small and medium-sized enterprises in foreign economic activity.

The strategy sets several measurable targets for 2030, including increasing total exports of goods and services to USD 85 billion, reducing the share of raw and low-processed products in exports from 87.3% to 59%, raising exports as a share of GDP to 33%, and increasing the share of services in total exports to 25%. Its first implementation stage, covering 2026–2028, will focus on improving legislation, removing trade barriers, developing financial instruments, attracting investment and strengthening institutional capacity.

For businesses and investors, the strategy is consistent with the wider direction of Ukraine's EU accession and procurement reforms: public support is increasingly directed toward companies able to produce competitive, exportable and higher-value-added goods and services.

Steel, energy and housing sector deals at URC2026

Industrial participation was visible at URC2026. Metinvest signed a EUR 20 million, seven-year loan with the Black Sea Trade and Development Bank to support industrial recovery, energy resilience and renewable-energy investment, and is participating in the 'My Home. Ukraine' housing programme to build six neighbourhoods of steel-frame housing for displaced persons from Mariupol. DTEK and UK energy supplier Octopus Energy formed a joint venture to deliver the EUR 100 million RISE project, focused on rooftop solar and storage systems across Ukrainian buildings. Polish energy companies Orlen, PGE, Enea and Tauron signed a letter of intent on rebuilding Ukraine's energy infrastructure, and Orlen concluded a separate cooperation agreement with Naftogaz.

Regional and municipal recovery agreements

Beyond national-level financing, URC2026 produced a range of regional agreements. The Mykolaiv Regional Military Administration signed a cooperation memorandum with the Nordic Environment Finance Corporation (NEFCO), with Ukrainian media reporting more than EUR 40 million in support from Denmark and Sweden for energy-efficient infrastructure, renewable energy, water supply and waste management across eight communities. The Voznesensk community separately signed a EUR 5.5 million grant agreement for thermal modernisation of

municipal buildings. These agreements illustrate the growing role of municipalities and regions as direct counterparts for donor financing.

> *June reinforced a consistent message: public support is increasingly directed toward companies that can produce competitive, higher-value-added goods and services, participate in blended-finance structures and meet EU-aligned compliance standards. Businesses that can combine local production, export potential and credible project documentation will be best placed to access the financing instruments now being deployed.*

5. Governance and reform developments

Public procurement law: an EU accession milestone

As described in Section 3, the signing of the new Public Procurement Law on 23 June is both a domestic governance reform and a concrete deliverable linked to the EU accession fundamentals cluster. Ukraine has committed to aligning procurement practice with EU directives by the end of 2027, and secondary legislation implementing the law will be an important area for businesses and donors to monitor over the coming months.

First EU accession negotiating cluster: governance implications

The opening of the fundamentals cluster has governance implications beyond procurement. It covers chapters on the judiciary, anti-corruption, fundamental rights and the functioning of democratic institutions, with interim benchmarks for rule-of-law chapters that must be met before those chapters can be provisionally closed. The EU has indicated that Ukraine is technically ready to open all six negotiating clusters, but opening additional clusters requires unanimous agreement among member states.

IMF governance and SOE conditionality continues

The IMF's first EFF review reiterated conditionality around state-owned enterprise governance, including merit-based management appointments and the independence of supervisory boards, building on the Energoatom governance reforms reported in May. The Fund also welcomed Ukraine's risk-based approach to monitoring public officials' declarations and stressed the importance of adequately resourced, independent anti-corruption institutions, a theme that also runs through the EU's rule-of-law benchmarks under the fundamentals cluster.

6. Risks and issues to monitor

Risk / issue	What to monitor	Business implication
EU accession pace	Timing of remaining negotiating clusters; rule-of-law benchmarks under the fundamentals cluster.	Reform delivery on procurement, judiciary and anti-corruption will increasingly determine access to EU-linked financing and contracts.
Inflation and monetary policy	Core inflation trending above NBU forecast; possibility of a rate hike if pressures persist.	Credit costs may rise if the NBU tightens further; hryvnia volatility remains a planning risk.
2027 financing predictability	Decisions from EU and other partners on financing beyond the current two-year USL window.	Public demand visibility for defence, energy and infrastructure contracts may narrow without early signals on 2027 support.
IMF programme delivery	Outstanding structural benchmarks, including VAT reform on parcels, due in July.	Continued IMF engagement supports macro stability, but slippage could affect the pace of future disbursements and investor confidence.
Energy and fuel costs	Progress preparing for the 2026/2027 heating season; further Russian strikes on energy infrastructure.	Operating costs and supply reliability remain exposed to renewed attacks despite new winterisation financing.
Labour shortages	Hiring intentions, migration trends and mobilisation effects across sectors.	Construction, industrial and infrastructure projects may continue to face delays and wage pressure.

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