



# THE EUROPEAN FLAGSHIP FUND FOR THE RECONSTRUCTION OF UKRAINE

July 2025

## A New Team Europe Initiative for Recovery and EU Integration

The **European Flagship Fund for the Reconstruction of Ukraine** is a landmark initiative to accelerate Ukraine's recovery and support its path to EU membership. Backed by **€220 million in public capital**, the Fund aims for a **first-close of €500 million** by 2026 conducting strategic, impact-driven primarily equity investments. The fund's top-tier Asset Manager will be selected through a market sounding (July-October 2025).

## At a Glance

### OBJECTIVE

A fund with first closing of up to €500 million by 2026 to mobilize capital to rebuild **Ukraine's economy via private equity**.

### FOCUS SECTORS



**Energy** – especially renewable energy



**Infrastructure**



**Digital transformation**



**Industrial modernisation**



**Dual-use goods production**



**Critical raw materials**

### INITIATORS

- **European Commission**
- **France, Germany, Italy, Poland**
- **Major development banks:** European Investment Bank (EIB), Kreditanstalt für Wiederaufbau (KfW), Cassa Depositi e Prestiti (CDP), Proparco & Bank Gospodarstwa Krajowego (BGK)

### TIMELINE

- **Introduction:** Market sounding at the Ukraine Recovery Conference 2025
- **Operational:** Fund set-up and initial investments by end 2026



**€220  
million**

in impact-first  
capital

to create a  
flagship fund of  
**€500 million**  
by 2026

## Why This Fund Matters



**EU Solidarity in Action:** It represents a tangible and strategic European investment supporting Ukraine's recovery

**Economic Transformation:** It unlocks private capital, creates jobs, and develops new production facilities

**Private Sector Engagement:** It uses blended public and private finance to reduce risks for investors and attract large-scale private capital

## How the Fund Works



### Catalytic Capital

- **220 million** from the EU Ukraine Investment Framework, Germany, Poland, Italy, and France
- Public investors provide **junior capital** as a “first-loss buffer” to attract private partners

### Possible Investment Models

- **Direct equity and quasi-equity investments** in key sectors
- **Fund-of-funds** to amplify private capital mobilisation
- **Combination of both**

## More Than a Fund

The European Flagship Fund for the Reconstruction of Ukraine is more than a financial instrument – it's a signal of solidarity, resilience, and European leadership.

**Investing in Ukraine today is an investment in the Europe of tomorrow.**

The Market Sounding documents are available on <https://enotices2.ted.europa.eu/home>

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## Who Is Involved



### **Confirmed Anchor Investors:**

- The European Union (via the Ukraine Investment Framework)
- Development Banks: EIB (EU), Proparco (France), KfW (Germany), CDP (Italy), BGK (Poland).

### **Who Can Invest:**

- All EU Member States
- International partners
- Institutional investors
- Ukrainian funds
- Private investors

**Complementary Initiatives:** Works in synergy with other EU actions to deepen Ukrainian financial markets, including cooperation with the International Finance Corporation (IFC) High-Impact Equity programme and European Development Finance Institutions Management Company (EDFI MC). The Fund will ensure additionality with local Private Equity and Venture Capital actors.



European Commission: [ec.europa.eu/european-neighbourhood-policy/countries-region/ukraine\\_en](https://ec.europa.eu/european-neighbourhood-policy/countries-region/ukraine_en)

European External Action Service: [eeas.europa.eu/delegations/ukraine\\_en](https://eeas.europa.eu/delegations/ukraine_en)

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