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Reconstruction at Scale: What happens between need and money?

Build a system that becomes better at reconstruction as it gets bigger.

Insight in Brief

- **Money is not the binding constraint.** The harder question is whether Ukraine can build a system that repeatedly turns needs into priorities, programmes, prepared projects, finance, procurement and delivery.
- **Build for the Ukraine that comes next.** Invest for the economy Ukraine will need in 10–15 years, not only to restore what existed before the full-scale invasion.
- **A need is not yet a project.** Project preparation is the bridge between needs and deployable capital, and the twentieth similar project should be easier, faster and cheaper than the first.
- **Match capital to risk.** Use public and development finance where it adds value, address exceptional war-related risks, and progressively enable private capital on commercial terms.
- **Build companies and people, not only assets.** Ukrainian firms, skills and professional institutions are reconstruction infrastructure, and international assistance should leave a stronger Ukrainian system behind.

Ukraine's reconstruction needs are enormous, and so is the financing challenge. Yet the amount of money available will only tell us so much. The harder question is whether Ukraine can build a system that repeatedly turns needs into priorities, priorities into programmes, programmes into prepared projects, and those projects into finance, procurement and delivery.

That is the less visible part of reconstruction; the machinery between a need being identified and an investment becoming real. If that machinery cannot operate at scale, additional capital will not, by itself, solve the problem. The objective is not simply to rebuild what has been lost, but to create the conditions for people, communities and the Ukrainian economy to thrive in what comes next.

01 Build for the Ukraine that comes next.

Reconstruction must answer two questions: what needs to be restored, and what will Ukraine need in 10–15 years?

The starting point for reconstruction is necessarily the damage caused by the war. Basic services have to be restored, homes and infrastructure rebuilt, and communities made functional again. But the asset base Ukraine emerges with should not be judged only against what existed on 23 February 2022. It should also be judged against the economy Ukraine expects to have a decade or more from now.

That changes the question. Rebuilding energy networks, municipal water systems and industrial capacity should not simply restore pre-war infrastructure, but support a more resilient, competitive and sustainable economy. Investment decisions should reflect European environmental and climate standards while strengthening energy security, industrial competitiveness, critical-minerals development, advanced manufacturing, and Ukraine's integration into international supply chains. Some assets will need straightforward replacement; others will require greater resilience to address vulnerabilities exposed by the war. In some cases, the right investment will be transformational rather than restorative.

A useful test is therefore simple: are we restoring an asset because it existed before the war, or investing because Ukraine will need it in its future economy? Reconstruction can do both. The distinction matters because the decisions made now will shape the productive base on which the next Ukrainian economy is built.

02 Investment shouldn't simply map destruction.

Essential infrastructure must follow people's needs. Economic investment has to follow a wider map: security, workforce, connectivity, energy, productive capability and the prospect of attracting private investment.

Geography will weigh just as much as the individual project. Essential infrastructure has to be located where people live and where services are needed. Major economic investment, however, will also have to reflect security, population trends, workforce availability, connectivity, energy supply and the productive capabilities that different parts of Ukraine can develop. That points toward a more differentiated economic geography.

- **Western Ukraine** can become an important interface with European production and supply chains.
- **The Black Sea–Danube area** has potential as a production, processing, logistics and trade corridor.
- **Kyiv and Central Ukraine** combine capital functions with labour, agriculture, engineering and logistics.
- **The Dnipro and central-eastern belt** has particular relevance to engineering, defence, autonomous systems and advanced manufacturing.
- **Kharkiv** presents a distinct strategic challenge. Its universities, research institutions, engineering expertise and technology industries remain important national assets. Given the city's security exposure, preserving human capital, scientific institutions and technological capabilities should be a priority. At the same time, large-scale physical investment must be phased in accordance with security conditions and realistic future demand.

- **For frontline and liberated areas**, the sequence is different again. Security and demining come first, followed by utilities and access, then housing and basic services, local business recovery and, eventually, larger-scale investment.

The geography of reconstruction therefore needs to reflect urgent human need alongside the economic geography Ukraine is trying to create — connecting where people live and work with where Ukraine can build its future productive capacity.

03 A need is not yet a project.

Ukraine does not lack reconstruction needs or project ideas. What is harder is turning them into investments that can absorb capital.

A recognised need is not yet a project.

Between a municipal problem and a financeable investment sits a substantial amount of work. Demand has to be assessed; feasibility established; engineering, environmental and social preparation completed; land and permits addressed; financial analysis undertaken; procurement documentation prepared; and arrangements for ownership and operation established. Until that work has been done, a recognised need may still be a long way from becoming an executable project.

This is the missing middle between reconstruction needs and money. The sequence matters: strategy, programme, prepared pipeline, financing, procurement, implementation. Yet too often the process begins at the other end, with a financing window or instrument, after which beneficiaries must find and prepare projects that fit it.

Project preparation is therefore more than a technical process. It is the bridge between reconstruction needs and deployable capital — and an opportunity to integrate social, economic and environmental objectives into investment decisions from the outset.

The Government's emerging project-preparation architecture should help translate national and local priorities into credible investment pipelines, supported by standardised preparation, appropriate financing structures, clear institutional responsibilities and procurement-ready documentation. Its value lies not simply in financing studies, but in creating a repeatable mechanism for moving projects from preparation through financing to implementation.

04 Scale means learning how to repeat.

Ukraine will need thousands of investments. The system cannot afford to treat each one as a bespoke transaction.

The twentieth similar project should be easier, faster and less costly to prepare than the first.

The economics of reconstruction change dramatically at scale. If 30 municipalities need to modernise district heating, there is little value in creating 30 unrelated methodologies, financing structures, procurement approaches and sets of documentation. A programme can establish common criteria, standards, environmental and social requirements, documentation and financing arrangements while still accommodating local differences.

Aggregation also changes the proposition for international financial institutions and development finance institutions. Framework agreements, reusable documents, standard contracts, pools of pre-qualified professional expertise, and programme-management capability can enable the transition from individual projects to a functioning pipeline. This is not administrative detail. It is part of the architecture required for scale.

The twentieth similar project should be easier, faster and less costly to prepare than the first. If every investment starts from scratch, the system will spend too much of its scarce technical capacity repeatedly solving problems it has already solved.

05 More than 1,000 projects — what do they leave behind?

International technical assistance is already a substantial source of reconstruction resources. The question is whether it is adding up to a stronger Ukrainian system.

Ukraine already has a large body of international technical assistance. Hundreds of international technical assistance projects, worth billions of dollars, represent a significant pool of expertise, preparation and implementation capacity. The challenge is to make that resource work as part of a coherent national architecture rather than as a collection of parallel planning, delivery and reporting systems.

Coordination asks who is doing what. Strategic harmonisation asks a more important question: which Government reconstruction, recovery or EU accession priority does a programme support, and what Ukrainian capability remains when the programme is finished?

The test should not be whether technical assistance produces useful outputs in the short term. It should also be about whether it leaves behind stronger ministries and municipalities, prepared pipelines, regulatory capacity, project management systems, professional skills, stronger financial institutions, and capable Ukrainian companies.

Wartime conditions understandably required speed and flexibility. The next phase creates an opportunity to make sustainability part of the delivery model. The twentieth project should benefit from what was learned during the first nineteen.

06 Who carries which responsibility — and which risk?

Reconstruction will require different actors to perform different functions. The important distinction is less state versus market than function versus function.

- **Government** has a particular role in setting priorities, rules and standards, protecting the public interest and creating the investment architecture.
- **Municipalities, public enterprises and other designated project sponsors** are responsible for project ownership, preparation and implementation within their respective mandates.
- **Donors and international financial institutions** can provide public goods, project preparation, institutional capacity and support where risks are exceptional.
- **Development finance institutions** can help create markets and address risks that commercial investors cannot reasonably absorb.
- **Ukrainian banks** have an important role in intermediating capital to SMEs, mid-sized companies and smaller investments.
- **Private investors**, meanwhile, determine where commercial opportunities exist and bear the normal risks of management, competition, demand, technology and execution.

Different reconstruction needs also require different forms of capital. Essential public services will continue to depend heavily on public budgets, grants and concessional finance. Economically productive infrastructure may combine long-term IFI lending, guarantees and, where appropriate, public-private partnerships. Commercially viable investments in energy, logistics, manufacturing and other productive sectors should increasingly attract DFI, commercial bank and private investment. Ukrainian banks will be particularly important in extending reconstruction finance to SMEs and mid-sized companies.

The objective is not to apply the same financing model to every project, but to use public and development finance where it adds value and progressively enable private capital to operate on commercial terms.

Emerging strategic investment partnerships can complement this architecture. The US–Ukraine Reconstruction Investment Fund, established under the bilateral agreement on reconstruction investment, illustrates the growing role of dedicated investment mechanisms that support critical minerals, energy, infrastructure, and other strategic sectors. Such instruments should be considered alongside European and multilateral financing mechanisms, with attention to their ability to mobilise additional investment, strengthen Ukrainian productive capacity and support long-term economic development.

The distinction between exceptional and normal risk is important. Ukraine faces risks arising from war losses, sovereign and political risks, and the availability of long-term insurance. Those are different from the ordinary commercial risks that accompany any investment. A functioning reconstruction market needs to be clear about which risks development finance should absorb or mitigate and which belong with investors.

07 Reconstruction can grow an economy, not just replace infrastructure.

The private-sector opportunity extends well beyond PPPs and private infrastructure finance. Reconstruction itself can create markets in which Ukrainian companies grow, consolidate and connect with European value chains.

Ukraine should build companies as well as assets.

Reconstruction demand can strengthen Ukrainian companies, create jobs and develop skills while generating tax revenues and export opportunities. The opportunity, therefore, goes further than finding private capital for individual infrastructure assets. Strategic investors and private equity may, for example, invest in the suppliers and companies that reconstruction creates demand for, rather than in the municipal road or hospital itself.

Public and donor capital should help create markets rather than substitute for commercial investment. Guarantees, blended finance and other risk-sharing instruments can support viable businesses that would otherwise struggle to access long-term financing. At the same time, reconstruction demand can create opportunities for corporate expansion, consolidation, strategic investment and private equity, particularly in manufacturing, construction materials, engineering, logistics and related supply chains.

The longer-term objective is to strengthen Ukrainian companies capable of attracting investment, competing internationally and operating without permanent dependence on concessional support. The government does not need to select corporate winners. Its role is to create

competitive markets, predictable rules, infrastructure and the conditions in which Ukrainian companies can grow, consolidate, attract investment and enter European value chains. That makes the private sector part of the reconstruction system itself.

08 The bottleneck may be people.

Even if more capital becomes available, Ukraine will need the institutions, professionals and companies capable of turning that capital into functioning projects.

People, skills, professional institutions and delivery systems are reconstruction infrastructure.

Delivery capacity could become a binding constraint. Reconstruction at scale will require stable teams inside government and municipalities, engineers, architects, procurement specialists, project managers and finance professionals, alongside the construction and industrial workforce needed to turn plans into physical assets. International firms can supply key expertise, but importing capability cannot be the long-term answer.

Reconstruction is ultimately a human endeavour. Reconstruction programmes should deliberately strengthen Ukrainian capabilities through joint delivery, professional training, institutional development and the progressive transfer of responsibilities to Ukrainian institutions and organisations. The objective is not simply to complete today's projects. It is to leave Ukraine better equipped to prepare, procure, finance and manage tomorrow's projects. That is why professional institutions, skills and delivery systems belong in any serious definition of reconstruction infrastructure.

09 One system for reconstruction, accession and investment.

Reconstruction, EU accession, technical assistance, public investment and private capital are too often treated as separate agendas. Their real value depends on how they connect.

The same principle applies to the outcomes reconstruction is trying to create. Stronger institutions, productive businesses, resilient infrastructure, healthier communities and a sustainable economy should not be treated as separate objectives. They are connected parts of the same future.

EU accession provides a particularly important institutional anchor. Standards, energy market integration, procurement, competition, environmental requirements, corporate governance, and industrial development should not be kept in separate policy compartments from the reconstruction process. They are part of the institutional environment in which reconstruction investment will operate and in which the future Ukrainian economy will compete.

The same logic applies to technical assistance and capital. International assistance should strengthen the national architecture rather than create parallel systems. Development finance should help markets develop. Ukrainian banks should intermediate capital. Professional firms should deliver. Ukrainian companies should grow. Commercial capital should be able to enter as markets mature.

The result should be a system in which each part reinforces the others:

Figure 1. A reconstruction system in which each part reinforces the others



A reconstruction system that works this way becomes more valuable as it grows. Experience from one programme improves the next; preparation becomes faster; institutions become stronger; companies become more capable; and investors encounter increasingly familiar and predictable markets. There is an important role for effective Monitoring, Evaluation and Learning (MEL) in evolving towards a system that works by learning from previous projects and enhancing them over time.

10 Where does the system still get stuck?

The central question is no longer whether Ukraine has needs, ideas or potential sources of finance. It is where the machinery between them still fails to work at the required scale.

There are several possible bottlenecks.

- Project preparation may be too slow or disjointed.
- Programme management may not yet be strong enough.
- Donor activity might fail to align sufficiently with governmental priorities.
- Municipal delivery capacity may constrain implementation.
- Risk-sharing mechanisms may leave commercially viable investments stranded.
- Skills shortages may become more significant as the volume of financing increases.

Those questions point towards a practical agenda for the next phase of reconstruction.

1. What is the principal bottleneck to scale?
2. Are programmes building permanent Ukrainian delivery capacity?
3. Where can international partners add most value in moving from individual projects to repeatable programmes and prepared pipelines?
4. How can public funding, bilateral donors, IFIs, DFIs and Ukrainian financial institutions work together to mobilise investment for different reconstruction needs?
5. Which exceptional risks should development finance absorb or mitigate, and how can risk-sharing instruments enable commercially viable investments without displacing private capital?
6. And how can reconstruction programming and EU accession reinforce one another rather than develop in parallel?

The answers will shape more than the delivery of individual projects. They will determine whether Ukraine develops a reconstruction market capable of repeatedly absorbing capital, thereby strengthening its institutions and companies.

Triple Line's Proposition

Ukraine's reconstruction challenge is not simply finding enough money. It is about building the system that can turn enormous needs into repeatable, investable, and deliverable programmes — while strengthening the people, institutions, businesses, and environment on which Ukraine's future prosperity depends.

The prize is not simply to finance reconstruction. It is to build a system that becomes better at reconstruction as it gets bigger.

Triple Line has established a strategic partnership with UA Direct (https://ua.direct/), combine sectoral expertise with deep local knowledge of Ukraine and its investment environment. As part of this partnership, UA Direct Managing Partner Oleksiy Starodubov has joined Triple Line as Principal Advisor.

Together, Triple Line and UA Direct will develop practical programmes, partnerships and investment opportunities supporting Ukraine's recovery, reconstruction and long-term economic development.