

Ukraine into the Fourth Year of War and Beyond



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Establishing and maintaining the rule of law



Business and foreign investment landscape

Well... our landscape



2025 – night before the webinar:

23/24 Feb – Russia launched 185 Shahed and other air drones against Ukrainian cities; 184 drones failed to reach their targets

2026:

21/22 Feb – 297 drones and 50 missiles.

Shot down and suppressed:

- Shahed drones and decoys: 274/297
- X-59|69: 4/4
- X-101: 17/18
- Iskander-K: 2/2
- Zircon: 2/4
- Iskander-M|C-400: 8/22

Ukraine is fighting back



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Ukraine hits Russian ballistic missiles producer in Udmurtia, Kyiv says

By Reuters

February 21, 2026 4:02 PM GMT+2 · Updated February 21, 2026



KYIV, Feb 21 (Reuters) - Ukraine's domestically produced Flamingo missiles hit a Russian plant manufacturing ballistic missiles in Russia's remote southern region of Udmurtia overnight, the Ukrainian General Staff said on Saturday.

It said in a statement that the plant was located in Votkinsk, about 1400 km (800 miles) from Ukraine, and produced intercontinental ballistic missiles and short-range ballistic missiles. The Ukrainian military also said that it hit a gas processing plant in Russia's Samara region.

Strategic Roadmap for Foreign Investment and Economic Integration in Ukraine

As of early 2026, the strategic importance of Ukraine has shifted from a humanitarian and security focus to an investable frontier, characterised by deep regulatory reforms, unprecedented international financial backing, and the emergence of high-growth sectors

The Ukrainian investment landscape is defined by a paradox of high security risk and high institutional resilience.

The government has successfully stabilised the macroeconomic environment through a combination of stringent fiscal discipline, substantial external support, and a rapid pivot toward EU standards

Finances: 2.2% GDP growth and solid partners' support

Ukraine's economy has demonstrated remarkable agility, with a gradual recovery taking hold as businesses and workers adapt to wartime conditions.

According to MinEc, in 2025, GDP growth reached **2.2%** YoY, signaling a stabilisation of economic activity. This resilience is fundamentally supported by a historic influx of international aid and structured financing.

For 2026–2028, Ukraine is projected to receive approximately **\$158.1 billion** in foreign grants and loans. This includes a landmark €90 billion loan from the European Union, with €30 billion dedicated to macro-financial assistance and €60 billion specifically earmarked for strengthening defense-industrial capacity.

The IMF continues its support through a program valued at approximately \$8.1 billion, ensuring that public finance sustainability remains a priority

Regulatory Reforms and EU Alignment



A primary driver of the current investment climate is **Ukraine's status as an EU candidate country**. The government is actively aligning its legal and fiscal systems with European benchmarks to reduce barriers for Western investors. The Government conducts a comprehensive review of Ukrainian legislation against EU law, enabling the opening of negotiations on major clusters. This involves much legal work.



Significant legal reforms have directly targeted the investment climate. The overhaul of **Public-Private Partnership (PPP) and concessions** legislation is a prime example. E.g. 40-year concession tender for the Port of Chornomorsk, one of Ukraine's largest maritime assets, which has been designed to attract experienced international operators under the updated legal regime.



Investors must also navigate the emerging **Foreign Direct Investment (FDI) screening legislation**. Proposed to protect national security in critical sectors, this law will introduce review processes for investments in sensitive industries, bringing Ukraine in line with standard Western practices for screening foreign capital. While this may add time to transaction schedules, it provides a more predictable and legally secure environment for legitimate investors.



EU membership



Potential areas of economic activity

IT Sector and Diia.City shows remarkable resilience

The IT sector has proven to be Ukraine's most resilient industry during the invasion.

As of early 2026, the Diia.City footprint includes:

- **3,700+** resident companies
- **143,000+** highly skilled specialists
- **9 tech unicorns**

In 2026, the ecosystem will introduce a new suite of instruments focused on the Deep Tech transition:

- **Diia.City Invest** aimed to become a streamlined legal vehicle allowing venture funds to incorporate in Ukraine within weeks, lowering the barrier for domestic and international capital;
- **Diia.City R&D** as a targeted initiative focusing on high-value sectors, specifically AI and Robotics to push Ukrainian tech further up the value chain; and
- **Robolab** as the physical engineering infrastructure to support hardware startups from prototyping to mass production

Energy Restoration and Decarbonization

The energy sector is a primary target for reconstruction funding, with a focus on both emergency repair and long-term modernization. The 2026 budget allocates UAH 51.8 billion for programs helping enterprises operate and recover, with specific funds for improving energy efficiency and implementing low-carbon technologies.

Strategic opportunities in energy include:

- **Hydroelectric Restoration:** Major projects funded by the EBRD are underway to restore capacity at the Dnipro and Middle Dnipro Hydroelectric Station (Seredniodniprovska HES)
- **Critical Minerals:** The U.S.-Ukraine Reconstruction Investment Fund is prioritizing investments in the extraction and processing of critical minerals (lithium, titanium, etc.) to integrate Ukraine into Western high-tech supply chains.
- **Renewables:** Transitioning to smart systems and large-scale solar facilities, such as the 250 MW Chernivtsi Solar project, is a key priority for the coming year

Defense Technology (DefenseTech)

Ukraine has become a global laboratory for defense innovation.

Since 2022, Ukraine's defence industry complex increased its production capacity 50-fold, to \$50 billion. Now, the Ukrainian defence industry complex provides more than half of the Armed Forces' weapons needs.

This sector has moved beyond immediate battlefield needs to a stage of industrial scaling. Major international defence firms, including Rheinmetall and BAE Systems, have already established joint ventures to produce and maintain equipment locally.

The launch of a specialised Defence City regime is expected to provide tech manufacturers in this space with tax and regulatory benefits similar to those in Diia.City (utilized by IT sector)

Brave1 Defence Tech Valley 2025



The Brave1 Defence Tech Valley 2025, held in September in Lviv, was the largest defence tech exhibition in Ukrainian history:

- over 5,000 participants (1,300 in 2024)
- 50+ countries
- 300 international investors (100 in 2024)
- 1,000 military personnel
- 230+ companies focused on battle-proven AI and unmanned systems

13 Industrial Parks Received State Incentives in 2025

Overall, in 2025 the Ministry of Economy approved state incentives for 13 industrial parks to implement 22 infrastructure projects. The total amount of state incentives in 2025 reached UAH 900.681 million.

Receipt of state funding requires beneficiaries to fulfill a number of obligations related to project co-financing and investment attraction.

Financing is provided on a 50/50 basis (or 80/20 for de-occupied territories). In addition, within three years the applicant must commission at least 5,000 sq. m of industrial real estate and attract at least two residents to the industrial park



Reconstruction Funds and Tenders

For companies seeking project-based opportunities, the reconstruction tender market is highly active. The digital DREAM (Digital Restoration Ecosystem for Accountable Management) portal and the Prozorro e-procurement system enable transparent bidding for government and international projects.

Fund / Mechanism	Focus Area	2026 Milestone
Ukraine Investment Framework (UIF)	Public infrastructure and private sector support	€9.5 billion budget expansion
US-Ukraine Reconstruction Investment Fund	Energy, Logistics, ICT, Critical Minerals	First three investment agreements to be signed
European Flagship Fund	Private equity for reconstruction projects	Becomes operational in mid-2026
Denmark Transition Support Program	Infrastructure and green transition	€375 million budget for Danish firms

Key message: Ukraine is a solution, not an issue

In 2025, Russia captured only 0.8% of Ukraine's territory losing 1,200 soldiers every day on average.

'Ukraine's situation on the battlefield is difficult, but not critical. Although Russia remains a dangerous adversary, a collapse of Ukraine's defences is unlikely' – Foreign Affairs.

In 2026, Ukraine has been moving from a phase of "survival" to a phase of "systemic transformation."

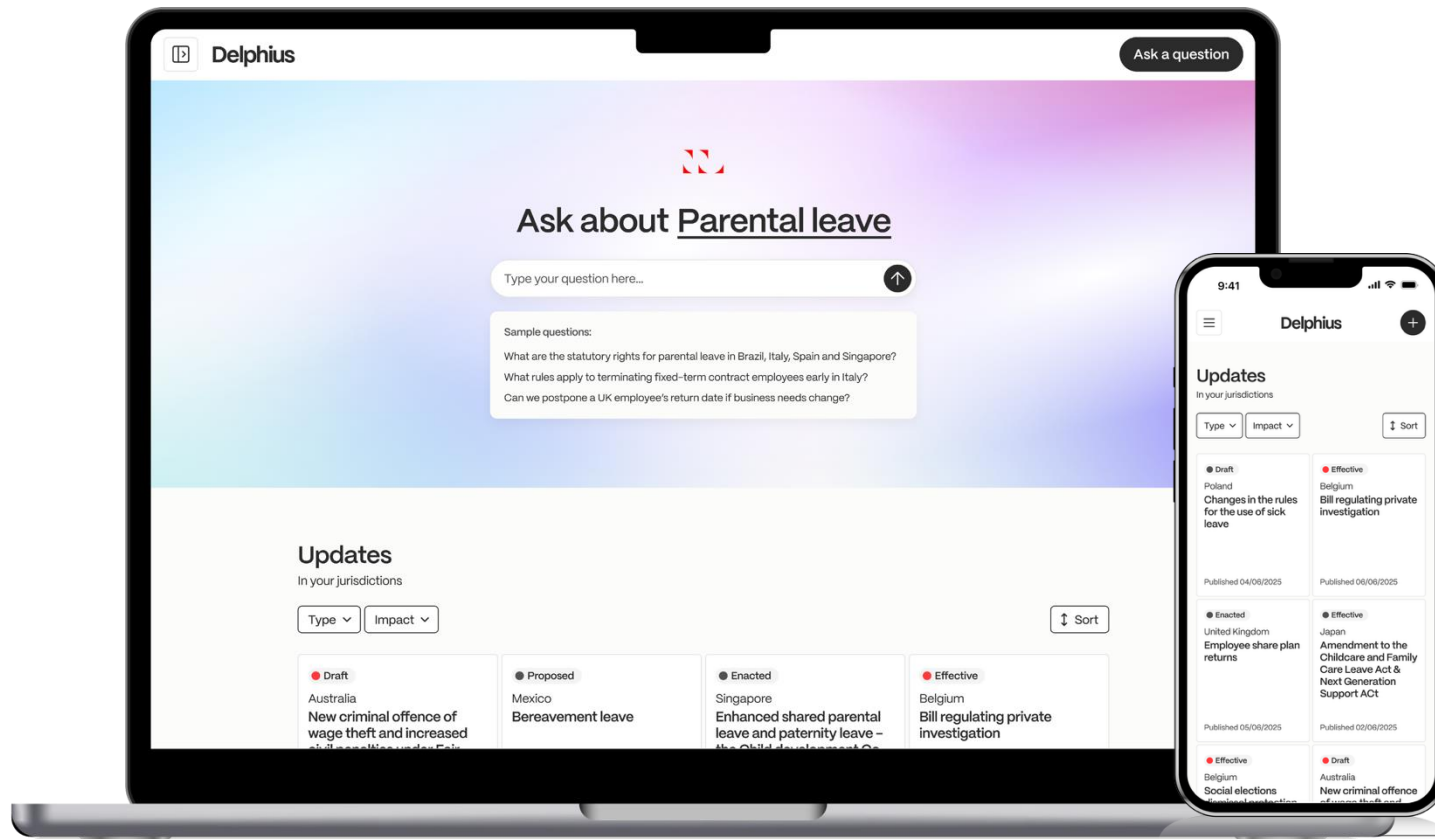
For businesses prepared to navigate the initial complexities in Ukraine, the long-term rewards of participating in one of the largest reconstruction efforts in history are profound.



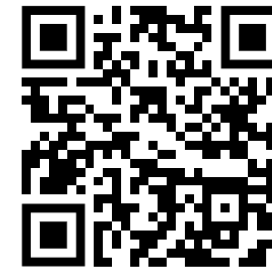
Ukrainian Vladyslav Heraskevych, wearing a helmet bearing images of Ukrainian athletes who were victims of his country's war with Russia, participates in men's skeleton training at the Cortina Bobsleigh Centre during the 2026 Winter Olympics (Photo by Franck Fife / AFP)

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