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UKRAINE

FIFTH RAPID DAMAGE AND NEEDS ASSESSMENT

RDNA5

FEBRUARY 2022 – DECEMBER 2025

WORLD BANK GROUP

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Editorial

Anne Himmelfarb

Design

Sarah Alameddine

Front Cover

UNIAN photo. A destroyed entrance to a residential building in Kyiv following a direct rocket strike in June 2025. As a result of this shelling, 23 residents of the building were killed.

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RDNA5 Key Definitions

Damage: Direct costs of destroyed or damaged physical assets and infrastructure, valued in monetary terms. Costs are estimated considering the replacement price prevailing before February 2022.

Loss: Changes in economic flows resulting from Russia's invasion of Ukraine, valued in monetary terms. Examples include disrupted services, increased operating costs, loss of revenue for authorities/private sector, and debris removal.

Needs: Costs for repair, restoration, and reconstruction, considering a build back better (BBB) premium, such as improvements for energy efficiency, modernization, and sustainability standards, as well as factors such as inflation, surge pricing due to volume of construction, higher insurance, and so forth. Needs are expressed in monetary terms according to market prices prevailing as of December 31, 2025. Needs do not equal the sum of damage and losses.

Recovery and reconstruction priority needs of the Government for 2026: Refer to both public investment projects and non-investment programs identified by the Government through two processes: (i) selection of public investment projects and programs from the Single Project Pipeline (SPP) under Ukraine's Public Investment Management (PIM) system, and (ii) a separate, government-led prioritization of non-investment recovery programs that address urgent social and economic needs without distorting capital investment planning. These priorities consider strategic alignment with sectoral priorities, urgent recovery needs, implementation readiness, and clearly defined 2026 financing need and financing prospects from budget and by international partners.

Previous and Current Ukraine Rapid Damage and Needs Assessments

RDNA1 estimated US$97 billion in direct damage (between February 24 and June 1, 2022), US$252 billion in losses (comprising 3 months of actual losses and 18 months of projected losses), and US$349 billion in recovery and reconstruction needs (over 10 years).

RDNA2 estimated US$135 billion in direct damage (between February 24, 2022, and February 24, 2023), US$289 billion in losses (comprising 12 months of actual losses and 18 months of projected losses), and US$411 billion in recovery and reconstruction needs (over 10 years). A sum of US$14 billion was estimated as needed to address 2023 implementation priorities.

RDNA3 estimated US$152 billion in direct damage (between February 24, 2022, and December 31, 2023), US$499 billion in losses (comprising 22 months of actual losses and 18 months of projected losses), and US$486 billion in recovery and reconstruction needs (over 10 years). RDNA3 also estimated priorities for 2024 (US$15 billion) as identified by the line ministries.

RDNA4 estimated US$176.1 billion in direct damage (between February 24, 2022, and December 31, 2024), US$588.8 billion in losses (comprising 52 months of actual losses and 18 months of projected losses), and US$524 billion in recovery and reconstruction needs (over 10 years). RDNA4 also estimated priorities for 2025 (US$17.32 billion) as identified by line ministries.

RDNA5 estimated US$195.1 billion in direct damage (between February 24, 2022, and December 31, 2025), US$666.7 billion in losses (comprising 64 months of actual losses and 18 months of projected losses), and US$587.7 billion in recovery and reconstruction needs (over 10 years). RDNA5 also estimated priorities for 2026 (US$15.25 billion) as identified by line ministries.

Sources: World Bank, GoU, and EC, "Ukraine Rapid Damage and Needs Assessment," 2022, Link; World Bank, GoU, EC, and UN, "Ukraine Rapid Damage and Needs Assessment: February 2022–February 2023," March 2023, Link; World Bank, GoU, EC, and UN, "Third Ukraine Rapid Damage and Needs Assessment: February 2022–December 2023," February 2024, Link; World Bank, GoU, EC, and UN, "Ukraine Fourth Rapid Damage and Needs Assessment: February 2022–December 2024," 2025, Link.

Abbreviations

BBB	Build(Ing) Back Better
CBRN	Chemical, Biological, Radiological, And Nuclear
CHA	Confirmed Hazardous Areas
CRSV	Conflict-Related Sexual Violence
EBRD	European Bank for Reconstruction and Development
EC	European Commission
EORE	Explosive Ordnance Risk Education
ERCC	Eu Emergency Response Coordination Centre
ERW	Explosive Remnants of War
EU	European Union
FAO	Food and Agriculture Organization
GDP	Gross Domestic Product
GoU	Government Of Ukraine
HUS	Housing And Utilities Subsidy
IDP	Internally Displaced Person
IFC	International Finance Corporation
IFI	International Financial Institution
ILO	International Labour Organization
IOM	International Organization for Migration
KSE	Kyiv School Of Economics
MDCT	Ministry For Development of Communities and Territories of Ukraine
MFB	Multifamily Building
MIGA	Multilateral Investment Guarantee Agency
MoEEA	Ministry Of Economy, Environment and Agriculture of Ukraine
MoF	Ministry Of Finance
MoSP	Ministry Of Social Policy
MTIP	Medium-Term Plan of Priority Public Investments
NPU	National Police of Ukraine
NTS	Nontechnical Survey
OHCHR	Office Of the High Commissioner for Human Rights
PDNA	Post-Disaster Needs Assessment
PIM	Public Investment Management
PPF	Project Preparation Facility
PPP	Public-Private Partnership
PPU	Project Preparation Unit
PTSD	Post-Traumatic Stress Disorder
QA	Quality Assurance

QC	Quality Control
RDDP	Registry Of Damaged and Destroyed Property
RDNA	Rapid Damage and Needs Assessment
SESU	State Emergency Service of Ukraine
SFH	Single-Family House
SHA	Suspected Hazardous Areas
SMEs	Small And Medium Enterprises
SOB	State-Owned Bank
SOE	State-Owned Enterprise
SPP	Single Project Pipeline
TFP	Total Factor Productivity
TS	Technical Survey
UEF	Ukraine Economy of the Future
UN	United Nations
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFPA	United Nations Population Fund
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations International Children's Fund
UN Women	United Nations Entity for Gender Equality and the Empowerment of Women
USAID	United States Agency for International Development
UXO	Unexploded Ordnance
WRUDP	War Risks in Ukraine Data Platform
WSS	Water Supply and Sanitation

ACKNOWLEDGMENTS

The fifth Ukraine Rapid Damage and Needs Assessment (RDNA5), covering the period between February 24, 2022, and December 31, 2025, was jointly prepared by the World Bank Group, the Government of Ukraine (GoU), the European Union (EU) services, and the United Nations (UN), in coordination with humanitarian and development partners, academia, civil society organizations, and the private sector.

On the part of the GoU, the RDNA5 was led by the Ministry for Development of Communities and Territories of Ukraine (MDCT), in coordination with the Ministry of Finance (MoF) and the Ministry of Economy, Environment and Agriculture (MoEEA), and with support from the Kyiv School of Economics (KSE). All relevant line ministries participated in the assessment.

The European Commission services' contribution was led by the Directorate-General for Enlargement and Eastern Neighbourhood (DG ENEST) in coordination with the Delegation of the EU to Ukraine, and other services.

From the UN, multiple agencies provided support and inputs: the United Nations Development Programme (UNDP), United Nations Children's Fund (UNICEF), United Nations High Commissioner for Refugees (UNHCR), International Organization for Migration (IOM), United Nations Office for Project Services (UNOPS), World Health Organization (WHO), United Nations Educational, Scientific and Cultural Organization (UNESCO), International Labour Organization (ILO), United Nations Human Settlements Programme (UN-Habitat), Office of the United Nations High Commissioner for Human Rights (OHCHR), United Nations Population Fund (UNFPA), United Nations Entity for Gender Equality and the Empowerment of Women (UN Women), United Nations Economic Commission for Europe (UNECE), United Nations Office on Drugs and Crime (UNODC), United Nations Environment Programme (UNEP), World Food Programme (WFP), International Telecommunication Union (ITU), Food and Agriculture Organization (FAO), United Nations Industrial Development Organization (UNIDO), and International Civil Aviation Organization (ICAO).

The World Bank Group's technical assistance was provided by the World Bank's Eastern Europe Country Management Unit, Global Practices, as well as the International Finance Corporation (IFC), coordinated by the Europe and Central Asia Region.

Annex 2 includes a list of main contributors. The RDNA5 team would like to express its deep appreciation to all individuals and organizations who contributed to this assessment.

FOREWORD

Russia's invasion of Ukraine continues to cause profound and far-reaching physical, socioeconomic, and environmental impacts, which will be felt for generations. This fifth Rapid Damage and Needs Assessment (RDNA5), undertaken jointly by the World Bank Group, the Government of Ukraine, the European Commission, and the United Nations, with support from additional partners, provides updated estimates of damage and losses as well as recovery and reconstruction needs. It presents an overview of nearly four years of impact, covering 46 months between February 2022 and December 2025 and building on the previous four assessments—RDNA1, RDNA2, RDNA3, and RDNA4. While RDNA5 assesses impacts up to December 2025, widespread impacts are continuing to mount against Ukraine's people, economy, and infrastructure.

The RDNA5 findings highlight the expanding footprint of destruction in 2025 and the increasing complexity of restoring systems essential for economic recovery and social wellbeing. As of December 31, 2025, total damage is estimated at **US$195.1 billion**, about 10.8 percent higher than in RDNA4, with housing, transport, and energy sectors most affected. Socioeconomic losses have risen to **US$666.7 billion**, reflecting a 13.2 percent increase since RDNA4, driven largely by disruptions to commerce, industry, public services, and livelihoods. Recovery and reconstruction needs continue to grow and are now estimated at **US$587.7** billion over a 10 year horizon—equivalent to almost three times Ukraine's 2025 GDP. Meeting these needs requires sustained efforts to restore damaged assets, ensure continuity of essential services, and rebuild infrastructure using a build back better (BBB) approach. Damage, losses, and needs remain concentrated in frontline oblasts and major metropolitan areas.

The Government of Ukraine is taking significant steps to meet recovery and reconstruction priorities for 2026, including public investment projects and non-investment programs totaling US$15.25 billion. In addition, per the available information collected under the RDNA5 assessment, at least US$20.3 billion in needs have already been met since February 2022 by GoU and partners through urgent repairs and early recovery activities across housing, education, transport, health, and other essential sectors. However, the scale of needs remains immense and continues to expand.

Looking ahead, Ukraine aims to build a forward-looking, inclusive, and resilient economy. The government's emerging postwar economic strategy—the Ukraine Economy of the Future (UEF)—builds on the EU-accession process and complements the existing reform agenda under the International Monetary Fund (IMF) and World Bank Group supported programs and Ukraine Plan with a focus on macrofiscal stability, governance and rule of law reforms, private sector dynamism and capital mobilization, infrastructure rebuilding, and investments in human capital and social sustainability. These efforts seek to "win the peace" by strengthening confidence among citizens, investors, and partners and positioning Ukraine for accelerated EU convergence. Enabling private sector–led recovery, promoting sustainable and inclusive development and job creation, and expanding area based, integrated approaches to reconstruction—such as through the government's pilot Comprehensive Recovery Program initiated in 2024—will be essential.

Ukraine's private sector has demonstrated remarkable resilience in the face of unprecedented disruption and will play a critical role in recovery and reconstruction. RDNA5 highlights key reforms and interventions that could enable the private sector to cover up to 40 percent of Ukraine's recovery and reconstruction needs over the next decade. These reforms and interventions are vital for unlocking a broader range of investment opportunities that extend well beyond direct recovery needs. The RDNA5 findings complement the reform and investment agenda of the Ukraine Plan and the European Union's Ukraine Facility for the next two years.

Given the scale of total needs and constrained financing, Ukraine's authorities and international partners must continue strengthening the country's project preparation and implementation capacity. Global experience shows that success requires a phased approach, investment in human capital, and strategic prioritization across sectors. Planning must also focus not only on improving private sector participation, but also on strengthening the institutional and technical capacity of Ukraine's public sector to prepare, implement, and monitor investment projects effectively. These reforms are also a fundamental part of Ukraine's path towards EU accession, supported by the EU's Ukraine Facility.

We stand firmly committed to supporting Ukraine's recovery and reconstruction, to helping advance its path toward a resilient, modern, and competitive economy, and to ensuring that its people can look toward a future defined by stability, opportunity, and prosperity.

The World Bank Group	Government of Ukraine	Directorate-General for Enlargement and Eastern Neighbourhood	United Nations

RDNA5 AT A GLANCE

Damage & Losses
(FEB 2022 - DEC 2025)

Impacts on people, infrastructure and the economy continue to be profound and far-reaching.

195.1 US$ BILLION **direct damage**
up 11% since RDNA4

666.7 US$ BILLION **socio-economic losses**
up 13% since RDNA4

SECTORS WITH THE LARGEST DAMAGE

74% of total damage incurred in 4 sectors

61.1 US$ billion **in housing**
14% of total housing stock damaged or destroyed

24.8 US$ billion **in energy**
electricity disruptions lasting up to 10-18 hours per day

40.3 US$ billion **in transport**
90% of new damage to transport sector was incurred in railways

19.2 US$ billion **in commerce & industry**
1 in 4 large enterprises directly affected

GDP
21% lower than in 2021

HEAVY HUMAN TOLL

15K **civilians have been killed**

11M **people displaced** 6M outside of Ukraine

2.4M **fewer children** in Ukraine compared to January 2022

71% internally displaced people **rely on cash assistance**

Reconstruction & Recovery Needs
(2026-2035)

Meeting needs requires both public and private resources over the next decade.

587.7 US$ BILLION **reconstruction and recovery needs**
up 12% since RDNA4

GROWING NEEDS

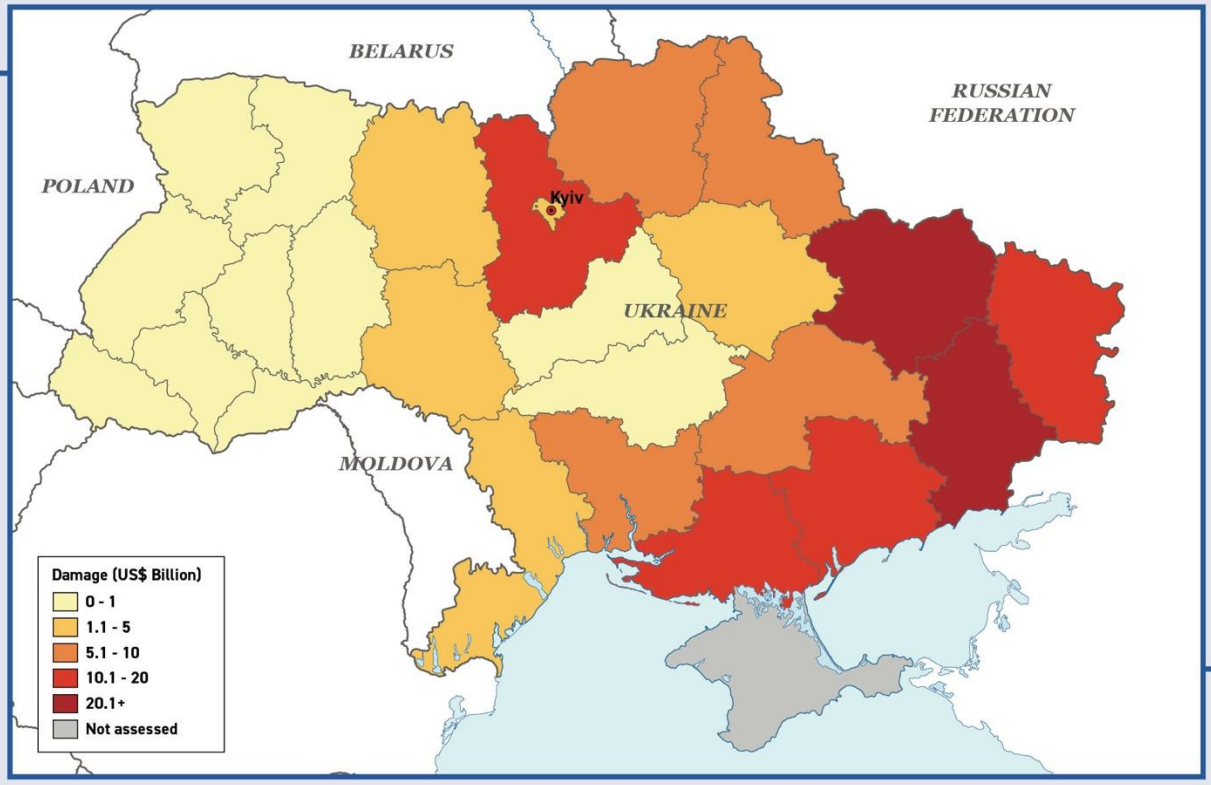
64.1 US$ billion **increase in needs**
including from public and private resources

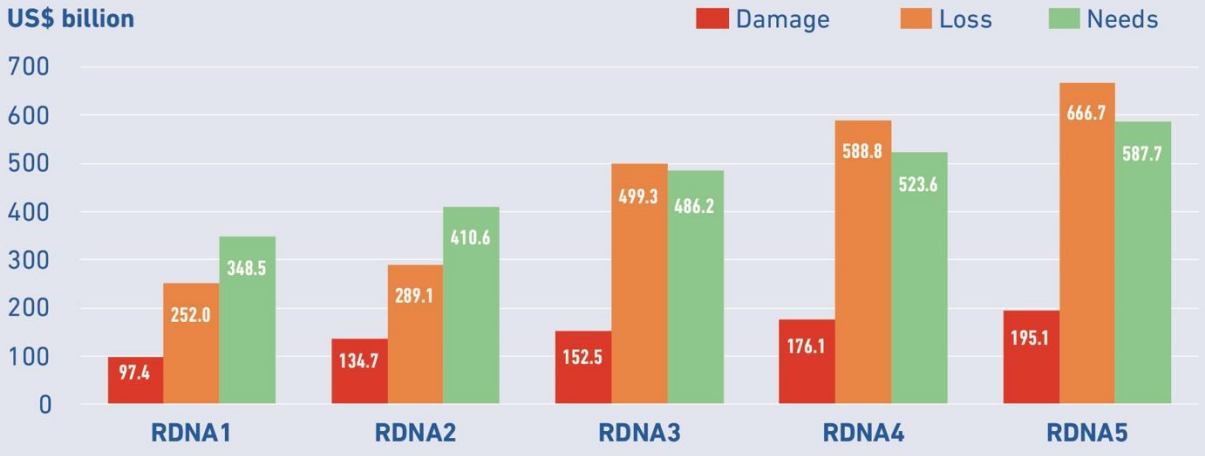
40% **of needs**
could be met by the private sector if reforms are implemented

15.25 US$ billion **Priority financing needs for 2026**
including both public investment projects and non-investment programs

At least 20.3 US$ billion **of total needs have been met**
equivalent to 3.5%

DAMAGE AND RECOVERY NEEDS ARE HIGHEST IN FRONTLINE REGIONS AND METROPOLITAN AREAS





Moving towards a forward-looking, inclusive and resilient economy, aligned with EU accession—putting the private sector at the heart of long term growth and innovation

KEY HIGHLIGHTS OF IMPACTS

Since February 24, 2022, Russia's invasion of Ukraine has caused widespread civilian harm, large-scale displacement, and extensive damage to infrastructure, productive assets, and the broader economy. This fifth Rapid Damage and Needs Assessment (RDNA5) presents an overview of almost four years of impact, covering 46 months between February 2022 and December 31, 2025; like each iteration of the assessment, it builds on the previous iterations (see "Previous and Current Ukraine Rapid Damage and Needs Assessments" at the start the report). Together, these impacts reveal both the expanding footprint of destruction over 2025 and the growing complexity of restoring systems essential for economic recovery and social well-being. Jointly conducted by the World Bank Group, the Government of Ukraine (GoU), the European Commission, and the United Nations, the RDNA adapts post-disaster assessment methodologies to enable the assessment of physical damage, economic loss, and recovery needs. The primary objective of RDNA5 is to deliver a rapid, consistent, and transparent cross-sectoral assessment of damage, losses, and recovery and reconstruction needs, while also informing investment priority actions for 2026. Further details on the methodology are provided in Annex 1 and the supplemental report, and key definitions are presented in "RDNA5 Key Definitions" at the start of this report.

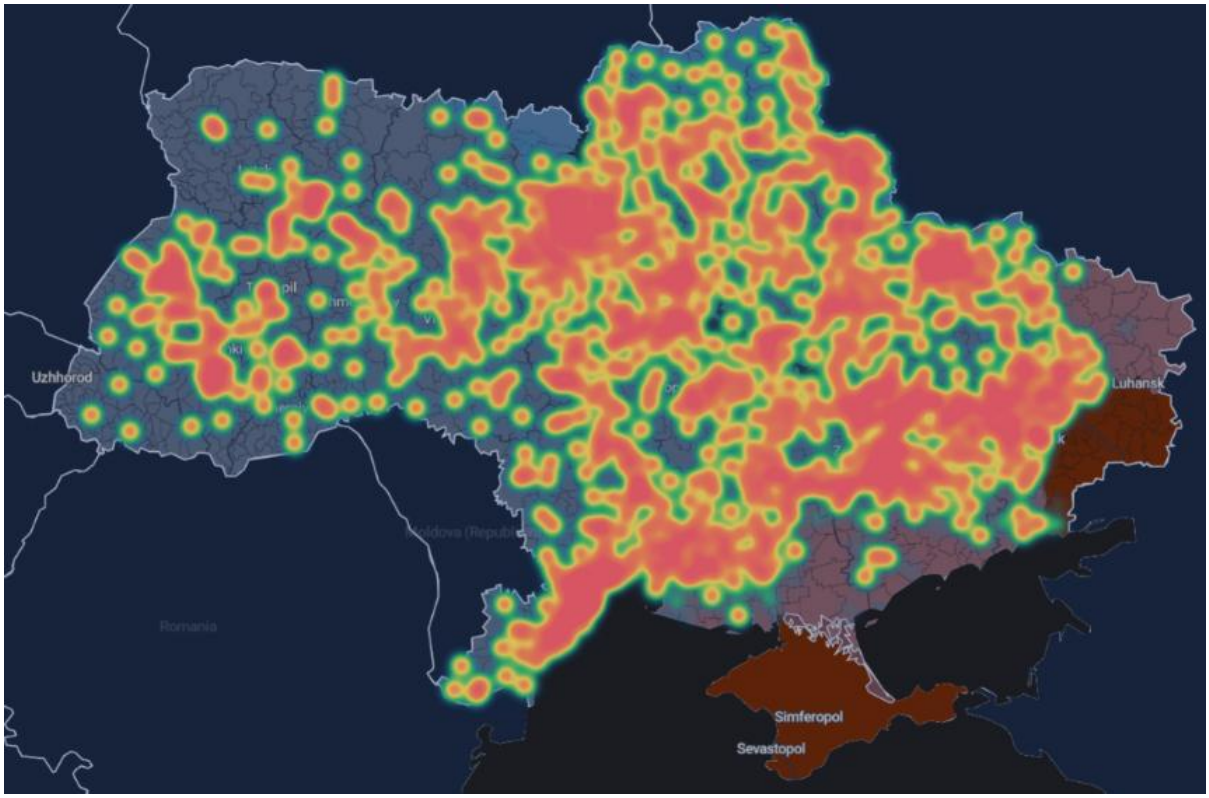
This chapter provides the overall context and updated estimates of damage, losses, and recovery and reconstruction needs up to December 31, 2025. The subsequent chapter presents a sector-by-sector summary of damage, losses, and reconstruction and recovery needs, along with an account of macroeconomic and human impacts. This is followed by a chapter on the government's recovery and reconstruction priorities for 2026. The final chapter is on cross-cutting priorities for a forward-looking recovery.

Context

Soon entering its fifth year, the invasion is further accelerating civilian exposure to harm, displacement, and infrastructure destruction. The RDNA5 period saw intensified long-range airstrikes and increasingly destructive ground tactics, which significantly affected communities and further constrained access to essential services. Frontline areas have remained subject to sustained artillery fire, and drone attacks, with some communities experiencing forced deportation and aerial strikes on municipal civilian transport. Since February 24, 2022, 15,000 civilians have been killed, more than 40,600 have been injured, and millions have lost their homes.[1] As of late December 2025, the number of individuals officially registered as internally displaced persons (IDPs) with the Ministry of Social Policy, Family and Unity (MoSP) reached 4,618,666. Airstrikes have increased in both scale and frequency, causing extensive damage to residential areas, and attacks on industrial, transport, and energy infrastructure have continued. Repeated attacks during a winter of record cold have reversed earlier recovery efforts, severely impaired energy systems, and left millions of citizens without reliable access to electricity and heating, forcing them to rely on aid points for warmth and food and effective emergency response and the repair of electricity and heating systems. These conditions have compounded long-term social and psychological impacts across the country and throughout all segments of the civilian population; also aggravated human suffering through large-scale displacement, loss of housing, injuries, disability, and civilian deaths, alongside widespread deterioration in mental health and psychosocial well-being.

[1] Office of the High Commissioner for Human Rights (OHCHR), "Protection of Civilians in Armed Conflict—December 2024," January 7, 2025, Link. The actual figures are expected to be higher; however, the receipt of information from different locations in the country is challenging, and many reports are still pending verification.

Figure 1. Spatial distribution of aerial attacks between February 2022 and December 2025



Source: Assessment team. *Note:* The map represents the spatial distribution of aerial attacks as recorded by the WRUDP, with red colors representing a higher concentration of attack counts.

Summary of Damage, Loss, and Needs

Covering nearly four years of impacts on Ukraine's people, economy, and infrastructure, RDNA5 estimates US$195.1 billion in direct damage, US$666.7 billion in economic and social losses, and US$587.7 billion in recovery and reconstruction needs over 10 years (Table 1). Damage, which increased by 10.8 percent since RDNA4 (100 percent since RDNA1, Figure 2), remains heavily concentrated in critical infrastructure sectors, such as energy, housing, and transport. Losses increased by 13.2 percent since RDNA4 (165 percent since RDNA1) and capture sustained reductions in production, service provision, employment, and productive capacity across the economy. Needs increased by 12.3 percent since RDNA4 (69 percent since RDNA1) and reflect reconstruction and recovery needs in line with build back better (BBB) standards. RDNA5 shows that damage, losses, and needs are geographically concentrated in frontline oblasts (accounting for 75 percent of total damage) as well as major metropolitan areas, including Kyiv City and Kyivska oblast (accounting for 21.7 percent of total losses). RDNA5 assesses impacts up to December 31, 2025, but damage, losses, and needs continue to mount after this cutoff date, with widespread impacts on people, the economy, and infrastructure.

Table 1. Total damage, losses, and needs by sector as of December 31, 2025 (US$ billion)

Sector	Damage		Loss		Needs	
	US$ billion	%	US$ billion	%	US$ billion	%
Social sectors						
Housing	61.1	31.3	25.0	3.7	89.8	15.3
Education & science	13.9	7.1	11.7	1.7	33.5	5.7
Health	1.8	0.9	23.1	3.6	23.6	4.0
Social protection & livelihoods	0.5	0.2	18.6[a]	2.8	42.7	7.3
Culture & tourism	4.5	2.3	31.9	4.8	11.5	2.0
Infrastructure sectors						
Energy	24.8	12.7	88.2	13.2	90.6	15.4
Transport	40.3	20.6	58.9	8.8	96.3	16.4
Telecom, digital, & media	2.5	1.3	2.7	0.4	7.1	1.2
Water supply & sanitation	7.8	4.0	14.4	2.1	17.5	3.0
Municipal services	3.1	1.6	8.0	1.2	7.4	1.3
Productive sectors						
Agriculture	12.1	6.2	78.0	11.7	55.3	9.4
Commerce & industry	19.2	9.8	232.9	34.9	63.3	10.8
Irrigation & water resources	0.9	0.4	1.3	0.2	12.5	2.1
Finance & banking	0.0[b]	0.0	5.2	0.8	2.1	0.3
Cross-cutting sectors						
Environment & forestry	2.0	1.0	36.0	5.4	3.1	0.5
Emergency response & civil protection	0.4	0.2	0.8	0.1	2.7	0.5
Justice & public administration	0.5	0.2	3.3	0.5	1.0	0.2
Explosive hazards management	0.0[b]	0.0	26.7	4.0	27.6	4.7
Total	**195.1**	100	**666.7**	100	**587.7**	100

Source: Assessment team. *Note*: Damage covers 46 months between February 24, 2022, and December 31, 2025; loss covers a total of 64 months, which includes 46 months between February 24, 2022, and December 31, 2025, and an additional 18 months through June 30, 2027; needs cover the period 2026–2035. Totals represent the sum of non-rounded sector estimates and may deviate from the sum of rounded sector estimates.

[a] Under social protection, household income loss valued at US$89.1 billion is not included to avoid double-counting in relation to other sectors.

[b] Due to to rounding to billions US$, damage in the Finance & Banking sector (US$ 24 million) and Explosive hazards management (US$ 11 million) are displayed as 0.0.

Table 2. Total damage, losses, and needs by oblast as of December 31, 2025 (US$ billion)

Oblast	Damage	Loss	Needs
Cherkaska	0.7	7.1	4.3
Chernihivska	6.5	9.2	17.2
Chernivetska	0.3	2.0	2.1
Dnipropetrovska	6.7	58.7	27.1
Donetska	53.0	41.0	109.4
Ivano-Frankivska	0.8	7.8	4.9
Kharkivska	32.3	34.8	73.5
Khersonska	14.1	30.6	38.0
Khmelnytska	0.5	6.8	3.8
Kirovohradska	0.4	6.7	3.3
Kyiv (City)	6.5	37.5	15.5
Kyivska	11.4	107.4	38.9
Luhanska	15.5	14.8	32.9
Lvivska	1.0	10.3	5.1
Mykolaivska	6.5	14.6	18.3
Odeska	3.4	21.6	11.7
Poltavska	1.5	15.7	8.3
Rivnenska	0.1	3.6	1.8
Sumska	5.3	11.1	15.1
Ternopilska	0.1	4.1	2.0
Vinnytska	1.3	9.4	7.8
Volynska	0.0	5.6	2.0
Zakarpatska	0.2	2.6	1.7
Zaporizka	19.3	77.0	61.7
Zhytomyrska	1.1	5.7	5.1
Not specified—nationwide	6.8	121.0	76.0
Totals	**195.1**	**666.7**	**587.7**

Source: Assessment team.

Figure 2. Total damage, losses, and needs since RDNA1 (US$ billion)

Source: Assessment team. Note: Maps represent the spatial distribution of aerial attacks from February 2022 to the cut-off date of each RDNA, as recorded by the WRUDP.

Box 1. Summary of the RDNA5 methodology and caveats

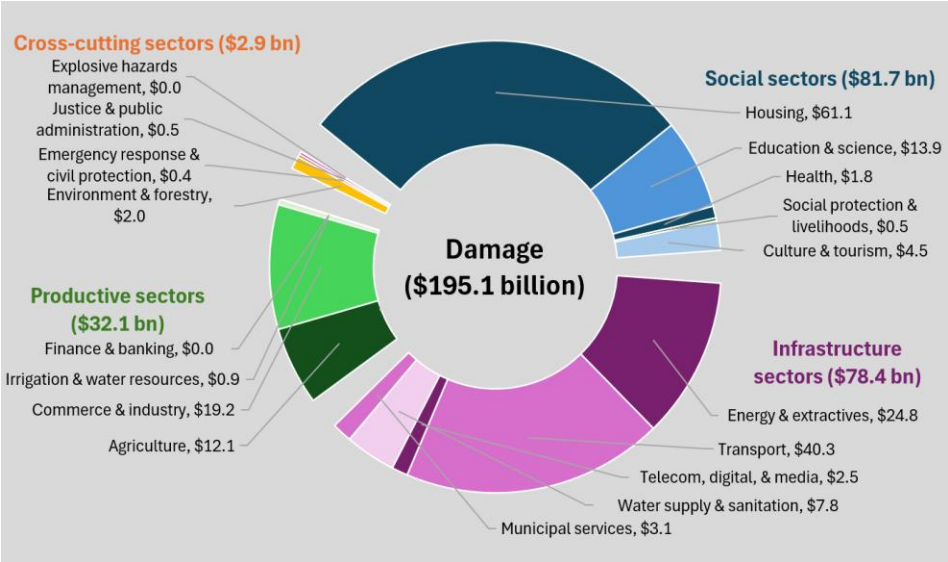
RDNA5 presents an assessment of 46 months of the physical damage to Ukrainian infrastructure and assets as of December 31, 2025; quantifies 64 months of losses (46 months of actual losses from February 2022 to December 2025, plus 18 months of projected losses from December 31, 2025); and estimates financial needs for recovery and reconstruction for 2026 to 2035. The RDNA5 follows a globally established and recognized Post-Disaster Needs Assessment (PDNA) methodology jointly developed by the World Bank, the EU, and the United Nations. Like previous RDNAs, RDNA5 integrates the most recent data and estimations, avoids double-counting, and deducts recovery and reconstruction needs met, where relevant and available. Changes in estimates since RDNA4 are primarily driven by continued impacts of the ongoing situation but also reflect methodological refinements, improved data, inflationary pressures, and an updated exchange rate.[2] The assessment is subject to inherent and documented data and methodological limitations, so that disaggregated estimates should be interpreted with care. Further details are provided in Annex 1.

[2] RDNA5 uses the December 31, 2025, exchange rate of US$1 = UAH 42.3878 and €1 = UAH 49.857. RDNA4 used the December 31, 2024, exchange rate of US$1 = UAH 42.039.

DAMAGE

The direct damage is immense and increasing continuously. As of December 31, 2025, total damage to Ukraine's buildings and infrastructure was estimated at US$195.1 billion. Total damage in RDNA5 reflects a US$19 billion (10.8 percent) increase since RDNA4 (Figure 3), and a doubling of damage since RDNA1. Damage remains highly concentrated in several key sectors. About 14 percent of the national housing stock is estimated to be damaged or destroyed, and more than 3 million households affected. The housing sector has sustained US$61.1 billion in damage (31.3 percent of total damage), followed by transport with US$40.3 billion in damage (20.6 percent), energy and extractives with US$24.8 billion (12.7 percent), and commerce and industry with US$19.2 billion (9.8 percent). Other sectors with substantial damage burdens include education and science (7.1 percent of total damage), agriculture (6.2 percent), and water supply and sanitation (4 percent), each reflecting the widespread destruction of public facilities and service delivery assets (Figure 4). The increase relative to RDNA4 is primarily driven by continued attacks on critical infrastructure, but also reflects improved data availability, refined assessment methodologies, and exchange rate adjustments.

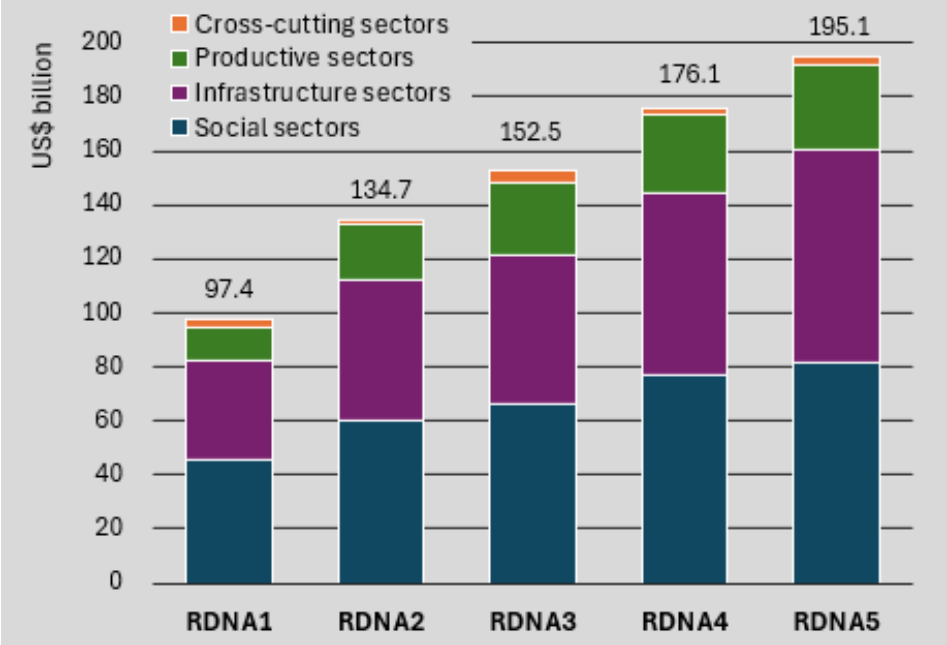
Figure 3. Total damage by sector (US$ billion)



Source: Assessment team. *Note*: Values are for the period between February 24, 2022, and December 31, 2025. Due to to rounding to billions US$, damage in the Finance & Banking sector (US$ 24 million) and Explosive hazards management (US$ 11 million) are displayed as 0.0.

Geographically, damage continues to be concentrated in frontline regions and metropolitan areas, including Kyiv City and Kyivska oblast. Frontline oblasts account for 75 percent of total damage, underscoring the scale and persistence of attacks in these regions, which include Donetska (27.2 percent of total damage), Kharkivska (16.5 percent), Zaporizka (9.9 percent), Luhanska (7.9 percent), and Khersonska (7.2 percent). Across these frontline oblasts, recorded damage increased by 14 percent on average since RDNA4. Kyiv City has seen a drastic 49 percent increase in damage since RDNA4 due to attacks, with total damage in Kyivska oblast and Kyiv City estimated at US$17.9 billion. Overall, damage in frontline and metropolitan regions is driven by (i) repeated attacks on energy, logistics, port, and industrial systems; (ii) exposure to frontlines; and (iii) newly available data, including geo-coded attack records and high- resolution imagery, which has improved attribution of damage to specific assets.

Figure 4. Comparison of damage by sector since RDNA1 (US$ billion)



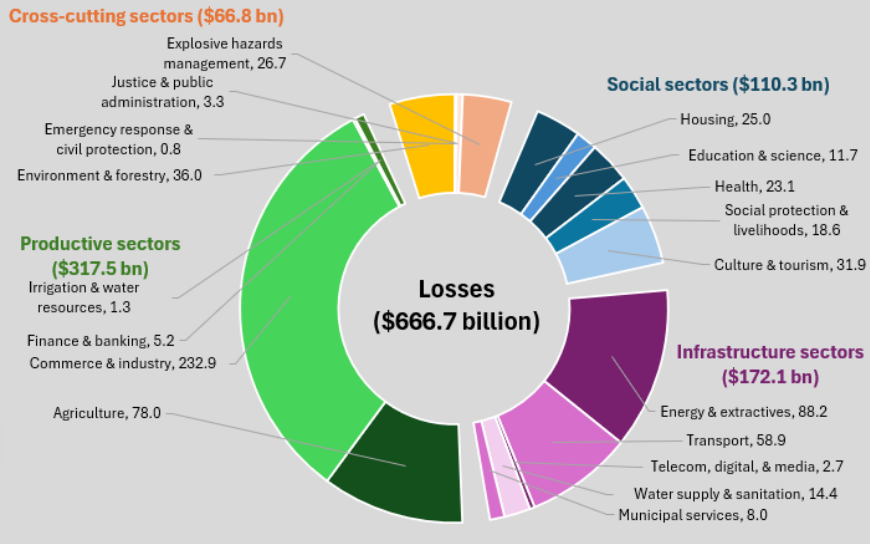
Source: Assessment team. *Note*: RDNA1 damage covers the period between February 24, 2022, and June 1, 2022. RDNA2 damage covers the period between February 2022 and February 2023. RDNA3 damage covers the period between February 2022 and December 2023. RDNA4 damage covers the period between February 2022 and December 2024. RDNA5 covers the period between February 2022 and December 2025.

LOSSES

Socioeconomic losses are estimated at US$666.7 billion in RDNA5, a 13.2 percent increase since RDNA4 that reflects the extensive and prolonged disruption to economic activity, public services, and livelihoods nationwide. Losses continue to be dominated by the commerce and industry sector, where they amount to US$232.9 billion, equivalent to 34.9 percent of total losses. Other sectors with large losses are the energy and extractives sector, with losses of US$88.2 billion (13.2 percent of total losses); agriculture, with losses of US$78.0 billion (11.7 percent); and transport, with losses of US$58.9 billion (8.8 percent) (Figure 5). These losses capture the cascading effects of damaged infrastructure, the high cost of maintaining critical services under challenging conditions, and the contraction of productive capacity across the economy.[3] Total losses of US$34.6 billion (4 percent) in explosive hazards management reflect persistent clearance needs, area denial,[4] and associated economic effects —though this sector is the only one to record a decrease in losses (-10.5%). This decrease is due to progress in unexploded ordnance (UXO) surveying and major demining efforts that contribute to a reduction in residual contamination.

[3] Like previous RDNAs, RDNA5 avoids double-counting across sectors in recognition of the fact that disruptions in one domain, such as electricity supply, have cascading effects on others, including commerce, agriculture, and service delivery.
[4] In mine action, "area denial" refers to land that is no longer believed to contain mines or other explosive hazards, either through mine clearance or through technical and non-technical surveys, where experts check and determine that it is safe to use.

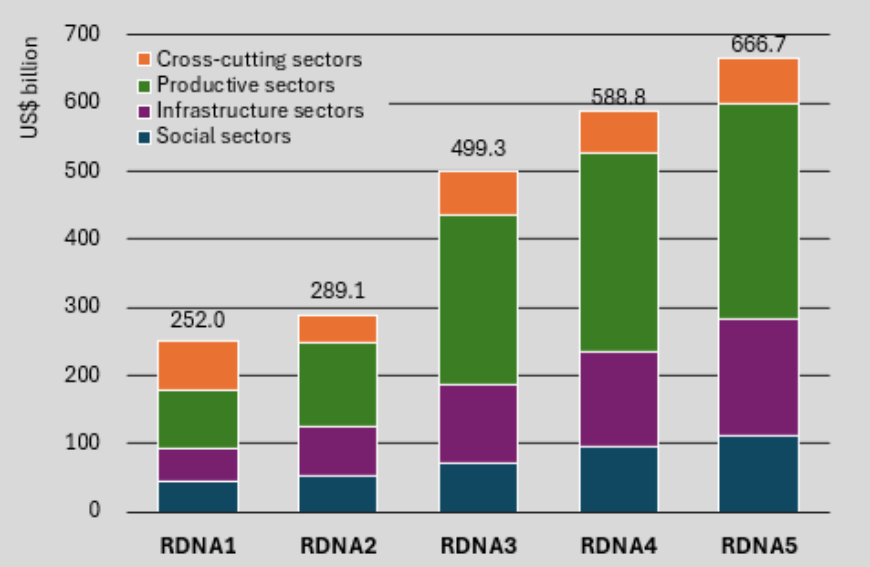
Figure 5. Total losses by sector (US$ billion)



Source: Assessment team. *Note*: Loss includes 34 months between February 24, 2022, and December 31, 2025, as well as an additional 18-month recovery period. Loss in social protection excludes US$89.1 billion in estimated loss of household incomes to avoid double-counting.

In keeping with the spatial distribution of damage, losses are concentrated in frontline oblasts and major metropolitan areas. Losses in the frontline regions of Donetska, Kharkivska, Luhanska, Zaporizka, Khersonska, and Mykolaivska reach US$213.2 billion, equivalent 31.9 percent of the national total loss estimated in RDNA5. Across these frontline oblasts, losses increased by 12.5 percent on average since RDNA4 (Figure 6). The capital region continues to account for a disproportionately large share of losses: Kyiv City and Kyivska oblast together record US$145 billion in losses (21.7 percent of the national total), reflecting their outsized contribution to national economic activity and the economy-wide effects of power outages and disruptions and insecurity on business continuity. Losses in Kyiv City increased by 11.7 percent since RDNA4.

Figure 6. Comparison of losses by sector since RDNA1 (US$ billion)



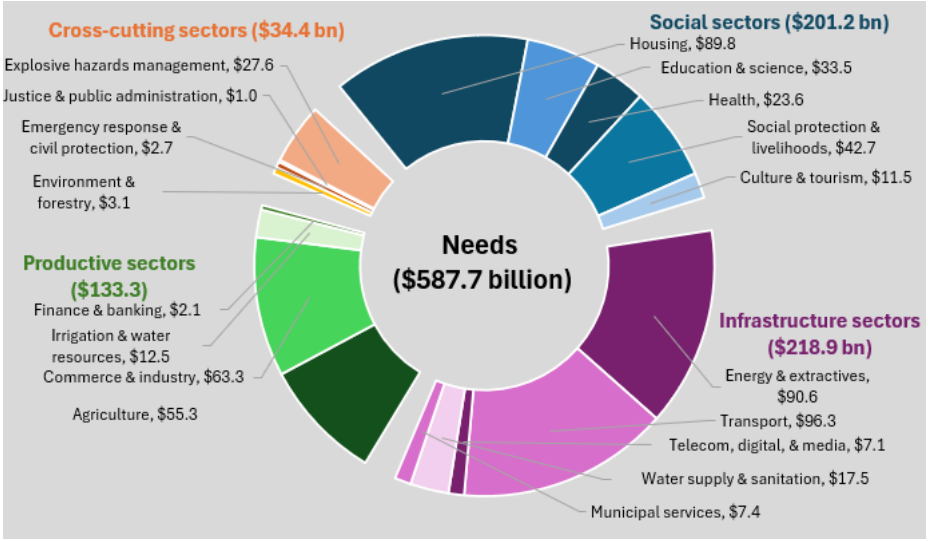
Source: Assessment team. *Note*: Loss estimates account for the respective RDNA assessment period and an additional 18 month recovery. The assessment periods are February to June 2022 (RDNA1), February 2022 to February 2023 (RDNA2), February 2022 to December 2023 (RDNA3), February 2022 to December 2024 (RDNA4), and February 2022 to December 2025 (RDNA5).

NEEDS

Total recovery and reconstruction needs are estimated at US$587.7 billion over the 10-year horizon 2026-2035, equivalent to almost three times Ukraine's 2025 gross domestic product (GDP), and representing an increase of US$64,1 billion (12.3 percent) since RDNA4. Needs are highest in the transport sector, totaling US$96.3 billion (16.4 percent of total needs) and reflecting extensive destruction of roads, railways, bridges, and logistics infrastructure. Needs are next highest in the energy and extractives sector, where they amount to US$90.6 billion (15.4 percent) and reflect widespread damage to generation, transmission, and distribution systems. Housing needs amount to US$89.8 billion (15.3 percent) due to the large-scale destruction of residential stock (Figure 7). Several sectors saw significant increases in recovery needs since RDNA4, including water supply and sanitation (55.4 percent increase), energy and extractives (33.7 percent), transport (24.2 percent), and telecommunications, digital, and media (21.1 percent); these increases reflect mounting damage, adoption of BBB standards, inflationary pressures, and the incorporation of more detailed recovery plans from line ministries and service operators. In addition, RDNA5 incorporates more complete asset-level reconstruction plans for several sectors that previously relied on higher-level estimation methodologies. Needs in demining and explosive hazards management were reduced by 7.5 percent to US$27.6 billion since RDNA4 (Figure 8), reflecting progress in survey and clearance activities.

At least US$20.3 billion in needs have already been met through urgent repairs and early recovery actions. This estimate relies on available information collected under the RDNA5 assessment, though reliable and official data are not available in all sectors. Data on needs met have been reported by nine sectors: housing (US$6.2 billion); commerce and industry (US$5.5 billion); education and science (US$2.4 billion); transport (US$2.1 billion); agriculture (US$1.5 billion); emergency response and civil protection (US$1.1 billion); explosive hazards management (US$0.8 billion); health (US$601 million), and irrigation and water resources (US$ 20 million). Needs met in all these sectors collectively amount to US$20.3 billion—equivalent to 3.5 percent of total needs—and include both public and private contributions. However, in several sectors a comprehensive assessment of needs met is hindered by a lack of comprehensive and robust data.

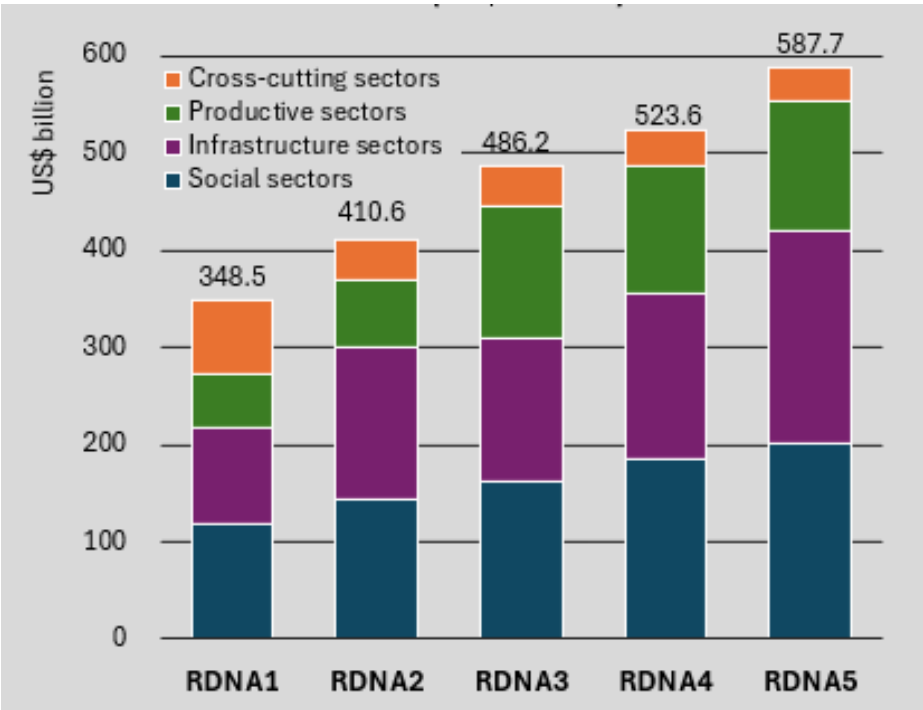
Figure 7. Total recovery and reconstruction needs by sector (US$ billion)



Source: Assessment team. *Note*: Needs relate to total estimated needs covering the period of 10 years from 2026 to 2035. Where data were available, needs met were deducted.

Geographically, needs are most pronounced in the oblasts that have faced the heaviest and most sustained destruction: Donetska (19 percent of needs), Kharkivska (13 percent), Zaporizka (11 percent), Kyivska (7 percent), Luhanska (6 percent), and Khersonska (6 percent). These regions continue to experience concentrated damage to critical and urban infrastructure, which drives up reconstruction costs substantially.

Figure 8. Comparison of needs by sector since RDNA1 (US$ billion)



Source: Assessment team. *Note*: Needs are estimated for a 10-year period for each respective RDNA.

Overview by Sector

Social sectors

HOUSING

Damage: US$61.1 billion **Loss: US$25.0 billion** **Needs: US$89.8 billion**

Total damage to the housing sector is estimated at US$61.1 billion. Housing is one of the most impacted sectors: 14 percent of the total housing stock has been damaged or destroyed, affecting more than 3 million households. Damage increased by 6 percent since RDNA4, while the total number of impacted units increased by 13 percent. Damage is heavily concentrated in Donetska, Kharkivska, and Luhanska oblasts and in Kyiv City, which together account for 73 percent of total damage costs. The oblasts with the next highest levels of damage are Dnipropetrovska, Chernihivska, Kyivska, Zaporizka, Mykolaivska, and Khersonska. Multifamily buildings (MFBs) account for 85 percent of damaged units and 79 percent of damage value. Losses total US$25 billion, driven largely by rental income loss (US$17 billion) and debris removal (US$6 billion). The availability of adequate and affordable housing has worsened, a trend that disproportionately affects 3.4 million IDPs, many of whom face prolonged displacement and financial barriers to repair of their housing. Damage has been more severe in urban areas, and cities are now facing both supply constraints and high demand from displaced populations. Given the magnitude of damage and the preexisting challenges facing the sector, housing recovery must be appropriately sequenced to balance urgent needs with long-term, inclusive housing solutions led by both the public and private sectors. Similarly, all efforts on housing recovery must cover both physical rehabilitation and reconstruction along with addressing the compounded vulnerabilities of displaced and low-income households.

Total recovery and reconstruction needs in the housing sector are estimated at US$89.8 billion. Needs are heavily concentrated in four oblasts, where large stocks of Soviet-era MFBs dominate the built environment. Needs encompass repairs that aim to incorporate climate- and disaster-proofing, impose modernization to meet EU laws and Eurocodes, and embed priorities such as energy efficiency, accessibility, and inclusion—core pillars of the Ukraine Plan. Immediate priorities include debris removal, technical inspections, strengthening of operational capacities, and establishment of project delivery mechanisms. To ensure alignment with EU accession principles, it is critical to carry out complementary housing sector reforms (such as the Law on the Fundamental Principles of Housing Policy; forthcoming laws on social housing, affordable housing, and management of the housing stock; and strengthening of property rights, rental markets, and housing finance). While some needs have been met through government programs, donor support, and regional and local repair efforts, gaps remain in financing, implementation, and monitoring. Given the complexity of the sector coupled with the scale of damage and needs, recovery will require a joint effort by government, international financial institutions (IFIs), donors, and the private sector

EDUCATION AND SCIENCE

Damage: US$13.9 billion **Loss:** US$11.7 billion **Needs:** US$33.5 billion

Total damage to the education and science sector is estimated at US$13.9 billion, covering infrastructure and assets from all the education and science subsectors. The subsectors with highest damage costs were research infrastructure, higher education institutions, and schools; this damage was concentrated geographically in Kharkivska, Zaporizka, Dnipropetrovska, Mykolaivska, Khersonska, Sumska, Chernihivska, Kyivska, Luhanska, and Donetska oblasts and in Kyiv City. School infrastructure and preschool infrastructure are the subsectors reporting the highest percentages of affected institutions, at 43.6 percent and 34.9 percent, respectively. Together, these impacts have curtailed people's access to education and skills training services, disproportionately affecting girls and populations in rural areas, where the supply of education and skills programs was already limited prior to February 2022. Losses are estimated at US$11.7 billion and reflect reduced education delivery; the greatest percentage is associated with learning losses. This figure is expected to grow as the ongoing situation and disruptions to in-person learning continue—negatively impacting student's well-being, education, and income potential and ultimately leading to billions in additional losses beyond the RDNA time frame.

Total recovery and reconstruction needs are estimated at US$33.5 billion over 2026–2035. These needs include the reconstruction of educational institutions, as well as the costs of restoring in-person education and providing pedagogical and psychosocial support to mitigate learning losses. Infrastructure needs are concentrated in the frontline territories. Hard interventions cover asset repair and replacement, while soft interventions include risk-informed planning, regulatory updates, capacity building, community engagement, and strengthened operations and maintenance. Immediate priorities include the construction and refurbishment of bomb shelters as well as interim measures to provide access to in-person education. Learning recovery is also a key need to be supported; enhanced teaching practices, flexible catch-up programs, and psychosocial support are among the needs calculated to mitigate learning losses and enable students to recover from missed instruction and psychosocial trauma. Private investment prospects in Ukraine's education sector remain limited and are concentrated mainly in reconstruction and ancillary services, though recent legal reforms expand public-private partnership (PPP) options. Although the 2026 budget reflects select sectoral priorities, there remain significant gaps for full reconstruction and institutional strengthening.

HEALTH

Damage: US$1.8 billion **Loss:** US$23.1 billion **Needs:** US$23.6 billion

Total damage to the health sector is estimated at US$1.8 billion, covering health care infrastructure and ambulances. General hospitals experienced the highest impacts (56 percent of total value), while most of the damage was concentrated geographically in Donetska, Luhanska, and Kharkivska. Losses include private sector losses and are estimated at US$23.1 billion, reflecting increased health sector losses and service delivery disruptions. The greatest losses are from missed non-communicable disease screenings (48.8 percent of total losses), additional mental health burden, self-harm and interpersonal violence, and losses of private providers. Although the government has provided financing to maintain services in areas of active hostilities, overall the damage and losses have curtailed people's access to health care, particularly in frontline oblasts, and have increased the burden on the health staff. Women continue to face a reduction in access to high-quality sexual and reproductive health services, while men may not identify their need for psychosocial support due to gender stereotypes.

Total recovery and reconstruction needs are estimated to be US$23.6 billion over the 10-year period 2026–2035. The recovery needs are estimated at US$11 billion and are mainly in primary health care and medicines; they aim to restore services, to reconnect people to care, and to address longer-term impacts. The reconstruction needs, estimated at US$12.6 billion, will support the restoration and redevelopment of the primary care and hospital sector, the strengthening of rehabilitation and mental health, and health emergency preparedness and response (including war-related aspects). Restoration of services will require investments in people, processes, and systems. Further impacts include emigration and led to loss of life, including among health care providers. Skilled staff will need to be replaced or trained to meet existing needs and growing demands in certain areas (30 percent of nurses lost since 2019, three percent of doctors lost annually).[5] The most pressing priorities include repairs for key service delivery facilities, measures to ensure continuity of care, development of reconstruction models to increase coordination, and identification of "future state" infrastructure and services. While some reconstruction and recovery needs have been met already through public financing and humanitarian assistance (at least US$601 million over 2022-2025), there is a lack of systematic data on these flows.

SOCIAL PROTECTION AND LIVELIHOODS

Damage: US$0.5 billion **Loss:** US$18.6 billion[6] **Needs:** US$42.7 billion

Total damage to the social protection and livelihoods sector is estimated at nearly US$0.5 billion. The main impacts are on infrastructure, including residential care units, sanatoriums, and social service delivery centers. The greatest damage was sustained by Odeska (US$132.1 million), Kyiv City (US$81.9 million), Donetska (US$51.7 million), and Kharkivska (US$45 million). Losses in the sector are estimated at US$107.7 billion, of which $18.6 billion are additional expenditures on social protection programs and US$89.1 billion due to permanent reduction in jobs and associated reductions in household income loss. Household income losses (US$89.1 billion) are excluded from the aggregated loss estimate (Table 1) to avoid double-counting of loss reported in other sectors. As a result of income loss and higher poverty, expenditures under existing means-tested social protection programs have increased, along with additional needs for programs such as payments to and services for people with disabilities, which continue to grow as a result of explosive hazards, including drones, missiles, and land mines.

The estimated needs in the sector amount to US$42.7 billion over 10 years, an increase of 9.8 percent compared to RDNA4.[7] Needs are highest for social protection and labor market recovery measures, which together account for 77.7 percent of total needs and comprise means-tested benefits (39.8 percent) and employment-related measures (37.9 percent). Military pensions and other long-term obligations account for 10.8 percent of total needs, while assistance to IDPs accounts for 7.1 percent. Restoration of social services (3 percent), repair and reconstruction (1.3 percent), and debris removal (0.1 percent) comprise the remaining shares. Very few social protection needs (less than 2 percent) can be easily assigned to specific oblasts, due to data limitations and the movement of populations. However, the estimates indicate that the most impacted oblasts, such as Odeska, Donetska, and Kharkivska, record disproportionately high needs.

[5] United Nations, "Results of Initial Health Labour Market Analysis in Ukraine," WHO Regional Office for Europe, 2024, Link.
[6] Under social protection, household income loss valued at US$89.1 billion is not included to avoid double-counting in relation to other sectors.
[7] This amount does not include reconstruction needs already met (e.g., fully or functionally restored facilities).

CULTURE AND TOURISM

Damage: US$4.5 billion **Loss:** US$31.9 billion **Needs:** US$11.5 billion

Total damage to the culture and tourism sector is estimated at US$4.5 billion, and losses are at estimated at US$31.9 billion. While the overall impact of damage and loss in this sector is multi-dimensional and deeply affects people, physical damage mostly affects heritage buildings, historic cities, and sites imbued with recognized cultural and social value. The most impacted oblast remains Kharkivska, which accounts for more than 20 percent of the damage, followed by Khersonska at 13.6 percent and Donetska at 10.5 percent. The impact of damage and loss on cultural heritage with great social value adversely affects communities and weakens their capacity for resilience. But the culture and tourism sector can itself serve as a pillar of community resilience, and it therefore requires an integrated and area-based approach at both national and local levels.

Total recovery and reconstruction needs are estimated at US$11.5 billion over 2026–2035. Needs are concentrated in frontline areas and major urban oblasts. Some needs have been partially met via public budget and donor emergency funds. There are also some small-scale private efforts, and select priorities are reflected in the 2026 budget. Significant gaps remain for emergency interventions, recovery and reconstruction, and strengthening of institutions and reforms. Meeting these needs requires an integrated, area-based, inclusive approach that is aligned with the Strategy for Cultural Development in Ukraine 2025–2030. This approach will enhance human capital and governance; restore service delivery and production; reestablish access to sites, essential goods, and services for communities; catalyze investments; recreate new content and shared values; and preserve, repair, and use culture. Immediate priorities include carrying out detailed assessment, monitoring, and documentation of damaged assets; making urgent repairs to partially damaged assets; reactivating functions of cultural spaces; and developing preparedness measures. In the medium term, an integrated systematized legal framework linking cultural protection to national security and recovery planning will be needed. Hard interventions cover asset stabilization, repair, and replacement across networks and facilities (i.e., digital, social infrastructure), while soft interventions include risk-informed planning, regulatory updates, capacity building for service providers and local governments, community engagement, and professional skills enhancement, including strengthening of accreditation and certification.

Infrastructure sectors

ENERGY AND EXTRACTIVES

Damage: US$24.8 billion **Loss:** US$88.2 billion **Needs:** US$90.6 billion

Total damage to Ukraine's energy sector is estimated at US$24.8 billion,[8] covering electricity generation, transmission and distribution infrastructure, gas systems, district heating networks, oil facilities, and coal mining assets. The power subsector accounts for the largest share of damage (about 70 percent, or US$17.1 billion), with generation assets representing the dominant component (US$14.2 billion), followed by transmission (US$2.3 billion) and distribution (US$0.7 billion). Damage is geographically concentrated in Zaporizka, Kharkivska, Kirovohradska, Dnipropetrovska, Donetska, and Odeska oblasts, as well as in Kyiv City and Kyivska oblast. War-related losses across the sector are estimated at US$88.2 billion, reflecting reduced energy demand and constrained systems operations. These impacts have substantially curtailed access to reliable electricity, heating, and water supply, and millions of consumers across the country were affected by repeated long-duration power outages in late 2025. Vulnerable groups, including older persons, people with disabilities, internally displaced persons, and low-income households, have been disproportionately affected through disruptions to electricity, heating, and water supply.

Total recovery and reconstruction needs in the energy and extractives sector are estimated at US$90.6 billion, driven primarily by the large-scale reconstruction of the power system (US$70.8 billion) as well as the district heating systems, gas, and oil infrastructure. Addressing these needs will require a coordinated, investment-driven approach centered on decentralized generation, renewable energy deployment, restoration of flexible capacity, physical protection of critical assets, and institutional and regulatory reforms aligned with EU accession and the commitments in the Ukraine Plan. Immediate priorities aimed at passing the heating season amid low temperatures include rapidly repairing partially damaged facilities, ensuring access to emergency equipment, securing gas imports, and accelerating project preparation and financing mechanisms to enable large-scale reconstruction and private sector participation.

TRANSPORT

Damage: US$40.3 billion **Loss:** US$58.9 billion **Needs:** US$ 96.3 billion

Total damage to the transport sector is estimated at US$ 40.3 billion, **and losses to the sector are estimated at US$58.9 billion.** Damage covers rail and road networks, bridges, ports, airports and Ukraine's air navigation system, urban public transport assets, and associated equipment, with the highest impacts recorded in (i) railway infrastructure, rolling stock, equipment, and other assets (32 percent of all damage); (ii) local, oblast, village, and communal roads (23 percent); and (iii) motorways, highways, and other national roads (20 percent). During 2025, the railway system accounted for 90 percent of all newly recorded transport sector damage. The damage is geographically concentrated in Donetska, Kharkivska, Zaporizka, and Khersonska oblasts, which together account for over 60 percent of total damage, and it is almost entirely borne by the public sector, except for private vehicles. Losses are largely attributable to disrupted access to Black Sea ports, which account for about 60 percent of total losses; to the continued closure of Ukraine's airspace, resulting in the loss of overflight revenues and representing a further 27 percent of total losses; and to declining rail operational performance

[8] This figure is as of November 30, 2025.

amid attacks on energy and transport assets. Together, damage and losses have significantly constrained access to transport services and logistics chains nationwide, particularly in frontline and southern oblasts, while also affecting western border areas through congestion and delays.

Total recovery and reconstruction needs in the transport sector are estimated at US$96.3 billion over the 10-year period 2026–2035. Needs have increased by 24.2 percent since RDNA4 and are the result of attacks on rail and ports during 2025. Needs are heavily concentrated in frontline and industrialized oblasts, notably Donetska, Kharkivska, Zaporizka, and Khersonska, which together account for about 60 percent of transport sector needs. Immediate priorities include (i) maintaining service continuity, (ii) making rapid repairs to partially damaged assets to restore functionality, (iii) investing in protective and safety systems for critical infrastructure, and (iv) accelerating project preparation and delivery mechanisms for large-scale reconstruction. Beyond hard interventions to repair, rehabilitate, and replace damaged assets across transport networks, recovery investments will progressively shift toward EU-orientated network modernization of border infrastructure, Danube ports, and standard-gauge rail connections and interoperable systems. These investments will be structured around Ukraine's Trans-European Networks for Transport (TEN-T) network, complementarity with the Connecting Europe Facility (CEF), and deployment of European standard-gauge rail in Ukraine. Continued efforts to implement sector reforms are key for unlocking large-scale investments supported by the EU and Ukraine Investment Framework (UIF). While some needs have been partially met through public budgets, donor-financed emergency works, and enterprise-level efforts, significant financing and implementation gaps remain, particularly for full network reconstruction, modernization, and institutional strengthening, which are required for compliance with EU standards.

TELECOMMUNICATIONS, DIGITAL, AND MEDIA

Damage: US$2.5 billion **Loss:** US$2.7 billion **Needs:** US$7.1 billion

Total damage to the telecommunications, digital, and media sector is estimated at US$2.5 billion, and losses are estimated at US$2.7 billion. Damage covers mobile and fixed broadband networks, postal facilities, broadcasting infrastructure, and media. Donetska, Zaporizka, Khersonska, and Kharkivska oblasts account for 55 percent of total damage, due to attacks and restricted access. Loss reflects forgone revenues for private operators and postal service providers, increased operating costs due to repairs, and additional costs for backup electricity generators. Geographically, the oblasts of Kyivska, Kharkivska, and Donetska account for over 60 percent of total losses. Together, damage and losses have disrupted access to information, education, and government services. In turn, these disruptions have adversely affected the distribution of pensions and social security payments to vulnerable populations living in the territories temporarily not under government control.

Total recovery and reconstruction needs are estimated at US$7.1 billion over 2026–2035. Meeting these needs requires restoring damaged assets, investing in service continuity, and rebuilding infrastructure and assets to pre-February 2022 levels using a BBB. Immediate priorities include rapid repair of partially damaged telecom, broadcasting, and postal infrastructure; temporary service continuity measures; and expansion of redundancy systems such as backup power and satellite connectivity. Needs are geographically concentrated in frontline and densely populated oblasts, with Donetska, Zaporizka, Kyivska, and Kharkivska oblasts collectively accounting for over 65 percent.

WATER SUPPLY AND SANITATION

Damage: US$7.8 billion **Loss:** US$14.4 billion **Needs:** US$17.5 billion

Damage to the water supply and sanitation (WSS) sector is estimated at US$7.8 billion, with the highest impact observed in large surface infrastructure (particularly wastewater networks), water supply networks, and wastewater treatment plants. Damage is geographically concentrated in the areas close to combat engagement zones, in particular Luhanska and Donetska oblasts, which together account for 61 percent of total reported damage. Losses are estimated at US$14.4 billion, reflecting reduced service delivery and operational efficiency, including lost revenues from WSS services (34 percent of losses) and increased operational costs (including for energy and fuel), alongside higher material costs, increased fuel consumption due to power supply disruptions, deferred maintenance, water losses, and debris management needs. The territorial distribution of economic losses generally correlates with the intensity of hostilities and the extent of infrastructure damage; the greatest losses were suffered by Kharkivska, Luhanska, Chernihivska, Khersonska, and Donetska oblasts. Together, the damage and losses have curtailed people's access to safe and reliable water supply and sanitation services, particularly in oblasts heavily affected by fighting. Impacts are manifested in service disruptions, reduced reliability and quality, and higher operating and service costs.

Total recovery and reconstruction needs are estimated at US$17.5 billion over the 10-year period 2026–2035, with largest needs concentrated in Luhanska, Kharkivska, Donetska, Zaporizka, Chernihivska, and Ivano-Frankivska oblasts. Meeting these needs requires an integrated, green, resilient, and inclusive approach that restores service delivery, rebuilds infrastructure using BBB principles, and strengthens institutions in line with EU accession requirements. Immediate priorities include repair and reconstruction of critical assets to restore/improve service quality and reliability, preparation of local and oblast-level recovery and reconstruction strategies, and strengthening of water utilities' capacity. Hard interventions focus on restoration and replacement of water supply and wastewater systems, including water and wastewater treatment plants and pumping stations, while soft interventions include planning and design, institutional reforms, and capacity building for utilities and sector personnel. While some needs have been met through repairs over the past year, data on completed works remain incomplete, and very significant financing gaps remain for WSS sector reconstruction and modernization.

MUNICIPAL SERVICES

Damage: US$3.1 billion **Loss:** US$8.0 billion **Needs:** US$7.4 billion

As of December 31, 2025, the total cost of damage to the municipal services sector is US$3.1 billion, while losses are estimated at US$8.0 billion. The damage figure encompasses the partial or complete destruction of essential municipal assets, as well as damage inflicted on various goods and equipment for which data were available. Losses are primarily attributed to current and anticipated reductions in local revenues, costs associated with debris removal and increased operational expenses. These losses underscore the ongoing financial strain on local authorities, acute capacity gaps, and potential risks in the implementation of recovery programs and projects.

Recovery and reconstruction needs are estimated at US$7.4 billion. The total needs include expenses related to rebuilding with improved standards (BBB) and account for inflationary pressures. The most urgent priorities in the short term involve sustaining and enhancing service delivery, undertaking capital repairs in critical infrastructure networks. The community development strategy is the basis for determining development and recovery priorities, and is also the basis for forming a medium-term

plan for priority public investments. To guide effective recovery and reconstruction, it is essential to plan, prioritize and sequence investments based on technical assessments. It is likewise critical to facilitate an institutional, fiscal, and legal environment that enables efficient implementation of recovery and reconstruction plans, specifically by coordinating and streamlining processes across government tiers and supplementing local administrative support.

Productive sectors

AGRICULTURE

Damage: US$12.1 billion **Loss:** US$78.0 billion **Needs:** US$55.3 billion

The total damage to the agriculture sector as of December 2025 is estimated at US$12.1 billion, covering the partial or complete destruction of agricultural machinery and equipment, storage and logistics infrastructure, livestock, and perennial crops, as well as stolen agricultural inputs and outputs. The highest impacts are observed in machinery and equipment and storage assets and are geographically concentrated in frontline and near-frontline oblasts, notably Luhanska, Donetska, Kharkivska, Zaporizka, Khersonska, Sumska, and Dnipropetrovska oblasts. Total losses over the period have reached US$78.0 billion, reflecting reduced agricultural production, including unharvested crops, increased farm production costs, and lower farm-gate prices due to sustained export logistics disruptions. Together, the damage and loss have constrained access to agricultural goods and inputs, particularly in the frontline oblasts. These effects have led to lower production levels, rising input costs, and greater market uncertainty, underscoring priority needs for restoring critical productive assets and for addressing access and liquidity constraints in priority regions and vulnerable producer groups.

The total reconstruction and recovery needs attributable to the agricultural sector are estimated at US$55.3 billion. Private agricultural producers are expected to mobilize substantial additional investments from their own resources over the coming years to restore productive capacity and modernize assets. The most urgent needs involve rehabilitation and replacement of damaged agricultural machinery, storage infrastructure, and other productive assets, as well as measures to support the recovery of agricultural production by addressing liquidity and operational constraints faced by farmers and enabling recultivation of damaged farmland. In parallel, strengthening and restoring agricultural institutions and services—via efficient value chains, climate resilience, and initiatives for EU accession—remain critical to effectively coordinating, supporting, and sustaining the sector's longer-term recovery. It should be noted that the agricultural sector has experienced impacts arising from disruption of irrigation systems and land contamination with explosive remnants of war (ERW) and landmines. These issues are addressed in other sections of the RDNA report.

COMMERCE AND INDUSTRY

Damage: US$19.2 billion **Loss:** US$232.9 billion **Needs:** US$63.3 billion

Total damage to the commerce and industry sector is estimated at US$19.2 billion, a 9.5 percent increase relative to RDNA4. Damage relates to industrial facilities, commercial buildings, equipment, and inventories, with industry accounting for about 85 percent of total damage. Impacts are concentrated in five heavily industrialized and frontline oblasts—Donetska, Kharkivska, Kyivska, Zaporizka, and Mykolaivska—which together represent over 80 percent of total damage. While small firms continue to bear the brunt of the ongoing situation, reflected in an 18 percent drop in sales, in 2025 more than half of damage (54 percent) affected large and medium-size enterprises; one in four large firms experienced damage. Losses are estimated at US$232.9 billion, exceeding Ukraine's pre-February 2022 GDP and reflecting prolonged declines in production and service delivery due to demand shocks, export disruptions, electricity outages, air raid–related downtime, and logistics constraints. Industry accounts for US$154.0 billion of total losses, and the largest losses were incurred in Kyivska, Donetska, Zaporizka, and Dnipropetrovska oblasts. The human impact has been severe:

damage and losses have sharply curtailed access to goods, jobs, and incomes, particularly in eastern and southern oblasts. Small firms, women-led businesses, and internally displaced persons have been disproportionately affected through firm closures, repeated sales contractions, and elevated default risks.

Total recovery and reconstruction needs are estimated at US$63.3 billion over 2026–2035, **including US$25.4 billion for reconstruction and US$37.4 billion for restoration of service delivery.** Immediate priorities include rapid repair of partially damaged facilities, restoration of critical industrial and commercial operations, and scaling of effective small and medium enterprise (SME) support mechanisms. Hard interventions focus on rebuilding and modernizing production facilities, commercial premises, equipment, and inventories, while soft interventions include regulatory reform, access-to-finance measures, workforce solutions, firm upgrading, and strengthened implementation capacity. Needs are concentrated in frontline and major industrial oblasts, where there are clear differences between losses of publicly owned industrial assets—i.e., state-owned enterprises (SOEs)—and losses of private SMEs. Some needs (amounting to US$5.5 billion) have been partially met through private investment and public support programs, and select priorities are reflected in the 2026 budget; but significant financing and reform gaps must be closed to enable full recovery, productivity growth, and export-led reconstruction. Although private investment could finance about 73 percent of industry needs and 100 percent of commerce needs, mobilizing capital at scale requires a range of reforms, including to improve the business environment, strengthen competition, expand access to finance, address labor constraints, and ensure economic transformation with a focus on alignment with EU standards, all of which are areas in which the government has made reform commitments as part of the Ukraine Plan. Revitalizing commerce and industry is therefore central to Ukraine's recovery, export-led growth, job creation, and accession to the EU.

IRRIGATION AND WATER RESOURCES

Damage: US$0.9 billion **Loss:** US$ 1.3 billion **Needs:** US$12.5 billion

Total damage to the irrigation and water resources sector is estimated at US$853 million, covering damage to reservoirs, pumping stations, main canals, and pipelines and concentrated in southern and eastern Ukraine. Nearly 85 percent of the damage is related to hydraulic infrastructure, while the rest relates to buildings, machinery, equipment, and access roads along the canals. Losses are estimated at US$1.3 billion, reflecting operational setbacks that resulted in minimal financial support to the sector, specifically from reduced water service payments, disrupted water-use rent contributions to the State Budget, and damage to water system management. Damage to irrigation infrastructure is also leading to losses in other sectors, in particular agriculture, where losses in profits from irrigated areas reflect sharp drops in output on formerly irrigated land; for instance an 89 percent fall in production of irrigated crops such as vegetables, grains, legumes, and oilseeds is accounted for in the agriculture sector's overall loss (see the agriculture sector assessment). The most significant losses are recorded in Donetska (US$218 million), Zaporizka (US$166.4 million), and Sumska (US$157.7 million) oblasts. Together, the damage and losses have curtailed farmers' access to reliable, timely, and adequate irrigation and drainage services, with pronounced impacts on rural households, including gender-specific effects such as heightened food insecurity, jobs losses, and increased unpaid care burdens for women and female-headed households.

Total recovery and reconstruction needs are estimated at US$12.5 billion over the 10-year period 2026–2035. Meeting these needs requires a holistic and integrated approach—one that focuses on investments in infrastructure, institutions, and information to restore service delivery and production, that reestablishes access to essential goods and services, and that rebuilds infrastructure and assets

to pre-February 2022 levels. Immediate priorities include reconstructing and modernizing Ukraine's state irrigation infrastructure (representing the largest share of total needs at US$2.7 billion), rehabilitating protective hydraulic structures along the Dnipro reservoirs, and upgrading and expanding irrigation systems in four priority areas: Kakhovska, Pivnichno-Rogachinska, Sirogozska, and Priazovska. Needs are concentrated in the following oblasts: Khersonska (US$1.8 billion), Mykolaivska (US$0.6 billion), Odeska (US$0.4 billion), Kharkivska (US$.3 billion), and Luhanska (US$0.3 billion). Some needs have been partially met via public budgets, and the State Agency of Water Resources has restored some hydrotechnical infrastructures, though significant gaps remain in large-scale infrastructure repair, institutional strengthening, and support to Water User Organizations and related groups. Important reforms involve adaptive water allocation under increasing water scarcity, preparation of bankable investment projects, and alignment with the EU Water Framework Directive.

FINANCE AND BANKING

Damage: **US$24.4 million** **Loss: US$5.2 billion** **Needs: US$2.1 billion**

Total damage to the finance and banking sector is estimated at US$24.4 million, while losses are estimated at US$5.2 billion, reflecting loan loss provisions for expected credit losses associated with the invasion. Damage covers banks' fixed assets (in particular, bank premises and equipment) and is concentrated geographically in Khersonska, Donetska, Kharkivska, Luhanska, and Zaporizka oblasts. Credit losses are estimated at 25 percent of the pre-February 2022 net loan portfolio. Since February 2022, the banking sector has accounted for US$2.6 billion of loan loss provisions. A third of credit losses are caused by direct destruction of borrowers' assets and collateral,[9] while the remainder are attributed to the economic impacts of the situation. Despite a series of cyberattacks, energy supply disruptions, and a period of deposit withdrawal in anticipation of the invasion, the majority of bank branches have remained operational: online banking services are fully available to all clients with internet connectivity; the noncash payment system is functioning normally; and liquidity has recovered for most banks.

Total recovery and reconstruction needs are estimated at US$2.1 billion over 2026–2035, with almost all needs (99 percent) stemming from additional credit loss provisions and investments to enhance the resilience of banking operations. A total of US$2.6 billion in war-related credit losses was already provisioned for in 2022–2025. These losses were covered by banks themselves from current income and have been discounted from the overall needs. The estimated percentage of such losses remains at 25 percent (the same share as in RDNA3 and RDNA4, and 5 percent lower than in RDNA2). Geographically, needs are highest in Kyiv City and Kharkivska oblast; together these locations represent 61 percent of total needs.

[9] National Bank of Ukraine estimates.

Cross-cutting sectors

ENVIRONMENT, NATURAL RESOURCE MANAGEMENT, AND FORESTRY

Damage: US$2.0 billion **Loss:** US$36.0 billion **Needs:** US$3.1 billion

Total damage to the environment, natural resource management, and forestry sector is estimated at US$2.0 billion, while total losses amount to US$36.0 billion. Among all sectoral assets, forests and natural landscapes have suffered the greatest impacts, with major reductions of forest stocks and release (by fire) of carbon stocks and air pollution. Damage is present across all landscape types but is concentrated geographically in Donetska, Luhanska, Kharkivska, and Khersonska oblasts. Physical assets that are key to monitoring and managing the use of national forest resources have been damaged or destroyed. Losses include reduced wood production, biodiversity, and delivery of ecosystem services, largely related to loss of access arising from minefields, burned natural landscapes, air pollution, and loss of habitat due to the destruction of the Kakhovka Dam. Together, the damage and losses have impacted value addition and employment in wood processing and non-timber forest products, and have resulted in significant greenhouse gas emissions and increased health risks from pollution. These patterns point to priority needs for restoring destroyed forests, improving forest and fire monitoring and planning, and strengthening the capacity to advise on pollution remediation across all sectors. The environmental destruction poses severe, enduring threats to human health and welfare, as pollution from damaged infrastructure and hazardous materials is likely to cause chronic illnesses for decades. This harm to ecosystems and natural resources also diminishes agricultural and forest productivity, undermines climate resilience, and fuels long-term socioeconomic instability, especially for frontline communities.

Total recovery and reconstruction needs are estimated at US$3.1 billion over the 10-year period 2026–2035. The identified needs address two thematic areas: first, reestablishing damaged forests with increased climate resilience and expanded nursery and timber production, underpinned by strengthened monitoring and planning, with the goal of creating more green jobs during recovery; and second, increasing the capacity of the MoEEA for analysis, damage appraisal, risk reduction, climate adaptation, pollution remediation (air, water, and soil), waste management across all sectors, and green job creation.

EMERGENCY RESPONSE AND CIVIL PROTECTION

Damage: US$0.4 billion **Loss:** US$0.8 billion **Needs:** US$2.7 billion

The total damage to the emergency response and civil protection sector is estimated at US$404.8 million, and the total losses are estimated at US$805.3 million. These totals reflect sustained and widespread destruction across operational facilities, command centers, training bases, and vehicle fleets of the State Emergency Service of Ukraine (SESU) and the National Police of Ukraine (NPU). Damage is concentrated in frontline and metropolitan oblasts. Estimated losses are primarily driven by increased operational expenses from sustained surge operations, extended duty hours, debris-removal activities, and temporary repairs. Damage to stations, regional headquarters, training centers, and vehicle fleets has reduced baseline capacity even as operational demand has expanded. High-intensity operations and repeated large-scale attacks on energy, transport, and residential infrastructure have exacerbated the problems posed by preexisting gaps, aging infrastructure, insufficient numbers of specialized vehicles, and outdated equipment.

The total recovery and reconstruction needs in the sector are estimated at US$2.7 billion over 2026–2035. Priority investments include rehabilitating damaged facilities, restoring minimum operational readiness in high-risk oblasts, modernizing and replenishing vehicle and equipment fleets, and strengthening national and regional command and control systems. There is also a need to rebuild institutional capacity in line with BBB principles, disaster risk management standards, and EU civil protection requirements. International partners, including the EU Emergency Response Coordination Centre (ERCC)/rescEU and United Nations Development Programme (UNDP), have helped meet urgent needs through in-kind assistance in the form of firefighting vehicles, CBRN (chemical, biological, radiological, and nuclear) supplies, and specialized equipment. Substantial needs remain unmet, however. Continued investment is critical to maintain lifesaving services, safeguard civilian protection, and rebuild a resilient emergency response system capable of withstanding ongoing and future shocks.

JUSTICE AND PUBLIC ADMINISTRATION

Damage: US$0.5 billion **Loss:** US$3.3 billion **Needs:** US$1.0 billion

Total damage to the justice and public administration sector as of December 31, 2025, is estimated at US$459.0 million. This figure represents a 6 percent increase since RDNA4 and reflects cumulative physical damage to facilities and assets across the judiciary, Ministry of Justice, prosecution service, and customs administration since February 2022. Losses are estimated at US$3.3 billion, about 18 percent higher than in RDNA4. Losses are driven primarily by sustained operational disruptions, forgone revenues, and system-wide impacts associated with the continued functioning of justice and public administration institutions under constrained operating conditions. Damage and losses are geographically concentrated in oblasts most affected by hostilities, notably Kharkivska, Luhanska, Donetska, Khersonska, and Zaporizka; Kyiv City accounts for a large share of total losses, reflecting nationwide and central-level effects. Losses in justice and public administration exceed physical damage by more than seven times, underscoring the labor- and process-intensive nature of the sector and the centrality of nationwide and central-level institutions.

Total recovery and reconstruction needs for the sector over 2026–2035 are estimated at US$984.7 million, up from US$918 million in RDNA4 (an increase of 7.3 percent). This reflects the cumulative effects of the prolonged situation rather than a sharp escalation in new destruction. While physical reconstruction of justice and public administration infrastructure—such as courts, prosecution offices, penitentiary facilities, and customs buildings—remains limited, there has been operational restoration of justice functions in territories restored to government control and preparatory work for rebuilding damaged facilities under national recovery planning frameworks. Meeting the sector's needs will require restoring and reconstructing damaged assets, reestablishing operational capacity, and strengthening institutional resilience in line with BBB principles. Sector-level recovery planning, including under RDNA4, identifies substantial reconstruction and rehabilitation needs for judiciary, prosecution, customs, and Ministry of Justice facilities through 2035. Preparatory measures for restoring penitentiary facilities and undertaking new construction are underway. However, large-scale reconstruction works in these subsectors are not yet broadly documented.

EXPLOSIVE HAZARD MANAGEMENT

Damage: US$10.6 million **Loss:** US$26.7 billion **Needs:** US$27.6 billion

Since the publication of RDNA4, Ukraine's explosive hazards landscape has continued to evolve, reflecting both measurable progress in land release and the persistent scale of contamination and human impact. RDNA4 estimated that 138,503 km² of land and 14,000 km² of water were at risk of contamination and required survey. By December 2025, this footprint had been reduced to an estimated 132,076 km² of land, though the assessed contaminated area of waters remained unchanged. This reduction reflects the verified release of 6,427 km² during 2025 through land cancellation, reduction, and clearance and demonstrates the growing effectiveness of survey-led, prioritization-driven approaches. At the same time, the human impact of explosive hazards remains severe. Between February 24, 2022, and December 2025, cumulative casualties related to mines and ERW amounted to 472 killed and 1,188 injured, according to the UN Human Rights Monitoring Mission in Ukraine (HRMMU).[10]

Total damage to the explosive hazards sector is estimated at US$10.6 million, and losses are estimated at US$26.7 billion. Damage reflects widespread contamination of land, infrastructure, agricultural areas, and settlements with mines and other ERW.[11] It encompasses suspected hazardous areas (SHA), confirmed hazardous areas (CHA), contamination of critical transport corridors, destruction of specialized equipment and facilities, and severe operational constraints on emergency services and demining actors. The highest impacts are concentrated in Kharkivska, Donetska, Luhanska, Khersonska, Zaporizka, Chernihivska, and Mykolaivska oblasts, which account for approximately 69 percent of total damage. Losses are driven by reduced access to land for housing, agriculture, and infrastructure rehabilitation; constrained mobility and essential service delivery; and reduced economic productivity in contaminated areas. Losses are greatest in agricultural production, transport accessibility, and community infrastructure, with significant regional variation aligned with frontline intensity. Damage and losses have together curtailed access to land, public services, livelihoods, and safe mobility, disproportionately affecting returnees, rural households, farmers, children, and frontline communities. Gender-specific impacts include increased exposure for women involved in agricultural work and for men undertaking debris clearance or informal risk-reduction tasks, while children remain at heightened risk in contaminated play and school areas.

Total recovery and reconstruction needs for explosive hazards management are estimated at US$27.6 billion for the 10-year period 2026–2035 under RDNA5; this is US$2.2 billion lower than the estimate in RDNA4. This downward revision is attributable to sustained advances in nontechnical survey (NTS) and technical survey (TS), improved contamination modeling, and more precise prioritization methodologies, which have reduced the estimated area requiring full clearance. Meeting current needs requires an integrated approach combining land release, population safety, and strengthened institutional capacity. Immediate priorities include NTS; clearance of high-impact areas such as transport corridors, agricultural land, and housing zones; development of demining capacity; expansion of explosive ordnance risk education (EORE); and the integration of explosive hazards management into broader reconstruction projects. While the needs are most acute in the eastern and southern oblasts, the response is currently driven by coordinated state-led initiatives (such as the

[10] OHCHR, "Ukraine: Protection of Civilians in Armed Conflict—December 2025 Update," Link.

[11] Impacts related to explosive hazards management are inherently cross-sectoral, as landmines and ERW directly constrain access to land, infrastructure, public services, and livelihoods across multiple sectors. Physical rehabilitation, service delivery, and economic activity in contaminated areas all depend on prior survey and risk-managed land release. To avoid double-counting of needs across sectors, the RDNA5 methodology captures explosive hazards management costs (for assessing, reducing, and managing contamination risks) exclusively within the dedicated sector chapter. It separately costs sector-specific reconstruction needs, such as schools, health facilities, agricultural production, housing, transport networks, or water systems; the approach assumes that land release is delivered as a precondition rather than included within sectoral estimates. Conversely, other sector chapters do not include demining or survey costs within their own needs calculations.

agricultural land compensation mechanism[12]) and comprehensive support from international partners.[13] These funding streams enable operations across the sector, supporting state institutions, humanitarian actors,[14] and commercial operators in efforts to mitigate the threat, though substantial financing gaps remain for large-scale clearance and long-term institution building.

[12] Center for Humanitarian Mining, "Compensation Program," Link.
[13] Demine Ukraine, "National Mine Action Platform," Link.
[14] ReliefWeb Response, "Mine Action," Link.

HIGHLIGHTS OF MACROECONOMIC AND HUMAN IMPACT

Macroeconomic Impacts

As the invasion nears the end of its fourth year, the country's economy and per capita output remain smaller than they were in 2021. GDP collapsed by 28.8 percent in 2022. While the economy showed some signs of catch-up growth in 2023, its upside potential has proven to be limited as growth has been decelerating since then. This deceleration reflects binding production constraints, especially labor shortages and skill mismatches, but also the impacts of infrastructure destruction and of attacks on the energy system that constrain industrial output and reduce firms' productivity across all sectors. In 2025, GDP was 21 percent smaller than in 2021 in real terms, while GDP per capita was 10.5 percent smaller.

At the same time, the economy has structurally changed. While Ukraine has lost traditional comparative advantages in some industrial sub-sectors, high public spending has prevented a collapse of demand and has been supporting consumption growth. It has also spurred the evolution of innovation in some high-tech sectors, many of which have linkages with defense. Consistent reconstruction efforts mean that capital spending is now a major contributor to growth. On net, however, Ukraine's economy remains affected by many of the growth constraints it was facing before 2022, including a lack of business dynamism, a large state footprint, and limited competition. These are now compounded by acute labor market frictions: unemployment remains elevated even as firms cite skilled labor shortages as their principal production constraint, pointing to deep structural mismatches in the labor market.

Since February 2022 Ukraine has been facing interrelated fiscal and external pressures. These pressures originate principally from high defense spending needs, which have elevated the annual fiscal deficits to around 25 percent of GDP—the largest in the world. High government spending also triggers import demand, increasing the current account deficit and exerting pressure on foreign exchange reserves. While the authorities and their international partners have successfully mobilized concessional financing and grants to cover fiscal and external needs, commitments typically span only one to two years, requiring frequent negotiation of new financing packages and creating recurring uncertainty over medium-term funding. Large fiscal deficits have also vastly increased public debt, from less than 50 percent of GDP in 2021 to over 100 percent of GDP today.

The large spending needs, combined with persistent uncertainty and recurring shocks, have driven repeated inflationary episodes. Inflation accelerated to over 26 percent by the end of 2022, then dropped to just 3.2 percent in March 2024, before rising again to 15.9 percent in May 2025 and subsequently retreating to 7.4 percent in January 2026. These swings reflect both supply-side and external shocks, such as attacks on the energy infrastructure that necessitate tariff adjustments, and inherent tensions in monetary policy. The National Bank of Ukraine is mandated to maintain price stability, which calls for keeping interest rates high. But high interest rates also raise the government's domestic borrowing costs at a time of large fiscal deficits. To manage this tension, the NBU has relied on two tools simultaneously: it uses foreign exchange reserves for interventions that prevent or slow depreciation, which helps contain imported inflation. This, in turn, allows it to keep interest rates lower than would otherwise be necessary. The effectiveness of this approach depends on the size of the NBU's reserve buffers, as the space for intervention narrows as reserves come under pressure or their future replenishment is uncertain, which can lead to inflationary pressures re-emerging.

The short-term growth outlook remains constrained. If hostilities continue throughout 2026, growth is expected to be limited to around 2 percent. If a ceasefire is in place by the end of 2026, growth is projected to pick up modestly to 4 percent in 2027 and 4.5 percent in 2028. On the fiscal side, spending needs are projected to stay high due to continued high defense spending, even if a ceasefire is in place by the end of 2026. The IMF estimates financing needs[15] of US$136.5 billion for 2026 to 2029, which assumes a consolidation of current expenditure starting from 2027 while public capital expenditure is projected to stay high. Primary financing sources are expected to be new external (concessional) borrowings, with a gradually increasing contribution of domestic borrowing. Under the baseline scenario, debt sustainability hinges on an eventual debt treatment that reduces the stock and medium-term gross financing needs. While these baseline short-term projections are relatively conservative, Ukraine's medium-to-long-term growth trajectory could be significantly more ambitious if conducive policy frameworks are in place and comprehensive structural reforms are undertaken, including through continued implementation of Ukraine Plan reforms and integration into the EU Single Market. Further information is also laid out in the section on the "Ukraine Economy of the Future" of this report.

Human Impact Assessment

The invasion has generated unprecedented humanitarian consequences, increasing poverty and inequality, and one that disproportionately affects vulnerable groups that is deepening preexisting structural challenges. The economic and social effects of displacement, ongoing disruption, labor market changes, and demographic shifts continue to strain households' resilience and local service delivery systems. These dynamics have important implications for recovery planning and for calibrating the scope and sequencing of reconstruction efforts. The latest findings from the World Bank's Listening to Ukraine phone surveys highlight a population whose welfare has deteriorated and whose coping capacity is stretched.[16] Poverty and inequality are at higher levels compared to 2022, asset destruction continues to accumulate, and both economic geography and labor demand have shifted significantly.

Those most impacted include IDPs and returnees, older persons, persons with disabilities, youth, and war veterans and their families; impacts also have clear gender specific dimensions. Crosscutting constraints relate to economic insecurity, limited access to stable employment, shortages of adequate and affordable housing, and insufficient comprehensive social services.

Large-scale forced displacement continues to reshape Ukraine's demographic landscape. As of December 2025, an estimated 6 million Ukrainians remained refugees globally, while around 4.7 million people were internally displaced, with patterns shifting in response to the evolving situation. According to statistics from the GoU, as of December 2025, 20,000 Ukrainian children had been deported and/or forcibly displaced to Russia. The UN Human Rights Monitoring Mission in Ukraine (HRMMU) reports that war-related violence in Ukraine in 2025 killed 2,514 civilians and injured 12,142. The total number of killed and injured civilians in 2025 was 31 percent higher than in 2024 (2,088 killed; 9,138 injured) and 70 percent higher than in 2023 (1,974 killed; 6,651 injured). Verified civilian casualties exceed 15,000 killed and more than 40,600 injured, though actual figures are likely higher given reporting challenges.[17] Older persons face heightened protection and security risks: according to the Office of the High Commissioner for Human Rights (OHCHR), since February 2022,

[15] These needs comprise gross external fiscal needs to finance Ukraine's deficit and debt repayments.
[16] World Bank, "Listening to Citizens of Ukraine Survey." October 8, 2025, Link.
[17] OHCHR, "Protection of Civilians in Armed Conflict—December 2024," January 7, 2025, Link. The actual figures are thought to be higher; however, receiving information from some parts of the country is challenging, and many reports are still pending verification.

older individuals have accounted for nearly half of all verified civilian deaths and one-third of injuries, underscoring their disproportionate exposure to harm.

Persons with disabilities remain among the most vulnerable groups, and both the prevalence and severity of disability is increasing amid the continued hostilities. Current estimates indicate that over 6 million people in Ukraine live with a disability, while approximately 3 million are formally recognized—about half of whom are age 60 or above. This represents a substantial rise from the 2.8 million formally registered in 2024. Other methodologies estimate around 3.4 million persons with disabilities, reflecting ongoing increases driven by injuries, chronic health conditions, and demographic aging.

Children continue to face grave risks. As of October 2025, the UN had verified 745 children killed and 2,375 injured.[18] Massive refugee outflows have reduced the number of children (0–17 years) in Ukraine by 33 percent—equal to approximately 2.4 million fewer children compared to January 2022. UNICEF estimates that nearly 900,000 internally displaced persons are children.

Ukraine is confronted with a complex and large-scale war veteran reintegration challenge. Increasing numbers of war veterans are returning to civilian life with severe injuries and long-term conditions, including amputations and chronic physical and psychosocial conditions. Reintegration is further complicated by housing loss, disrupted education and care arrangements, strained family relations, and broader socioeconomic vulnerabilities. The scale of the challenge is significant: Ukraine's war veteran population, including family members, is projected to reach 5–6 million. As of December 31, 2025, there were 1,417,385 registered combatants and 143,390 individuals with disabilities as a direct result of the invasion.

Economic insecurity remains a central challenge. In 2025, approximately 71 percent of IDPs relied primarily on cash assistance, reflecting persistent financial vulnerability. Older persons, who depend mainly on pensions, frequently struggle to cover basic living costs.

Access to stable and secure employment with full labor rights remains limited, particularly for IDPs and other vulnerable groups. Despite government efforts to promote IDP employment through subsidies and digital platforms, around 20 percent remain unemployed—nearly twice the share of non-displaced persons. Care responsibilities significantly constrain labor market participation, specifically affecting 29 percent of job-seeking IDPs and 35 percent of women. Among youth, 21 percent ages 15–29 are not in education, employment, or training, and females account for 70 percent of this group. Persons with disabilities remain underrepresented in the labor market, while nearly 47 percent of war veterans have been unable to return to their previous employment amid growing rehabilitation and psychosocial support needs.

Access to adequate and affordable housing remains a cross-cutting issue. IDPs rely on the private rental sector, often without written contracts, and thus face heightened risks of eviction and volatile rent increases. Housing affordability continues to deteriorate broadly and for IDPs in particular, as around half of IDP renters spend more than one-third of their income on rent, and 18 percent spend over half.

Collective sites remain places of protracted displacement, particularly for older persons and persons with disabilities. Women and older persons constitute the majority of adult residents, accounting for 75 percent and 51 percent of residents, respectively, and highlighting the heightened vulnerability of older displaced women. Despite high demand, collective sites remain largely unable to provide adequate health care services and accessible infrastructure.

Access to comprehensive social support, particularly social services, remains constrained amid growing needs. Capacity limitations, damaged infrastructure, funding gaps, staff shortages, and poor

[18] United Nations, "Civilian Deaths in Ukraine Surge Past Last Year's Toll as Winter Deepens Crisis, Security Council Warned," *UN News*, November 20, 2025, Link.

working conditions for social workers continue to undermine service delivery, especially in frontline and rural municipalities. Strengthening community-based health, social protection, and long-term care systems is essential to meet the needs of a growing and aging population of persons with disabilities.

Protection, security, and evacuation gaps persist. Older persons account for nearly half of verified civilian deaths, have limited access to shelters, and are among the least likely to evacuate. Older persons and persons with disabilities continue to be excluded from information that is disseminated digitally.

Educational losses among youth remain severe. Ukrainian students have lost at least two years of education since 2020, and nearly half of children in frontline areas remain in distance learning. Learning losses, disengagement, and psychosocial distress are widespread among children, approximately 44 percent of whom are estimated to show PTSD symptoms.[19] Adolescents, particularly IDPs, lack access to safe spaces, mentoring, and skills-building pathways.

The health system's human resources have been affected. Ukraine has lost approximately 30 percent of its nurses since 2019 and is losing 3 percent of its doctors annually (approximately 5,000). These shortages are felt in primary care, where approximately 20 percent of doctor positions are unfilled. Demography is also impacting human resources in health: more than half of primary care physicians are over the age of 50, and 29 percent are over 60.[20] These impacts on human resources are occurring in the context of high needs for medical screening and care. Noncommunicable diseases like cardiovascular diseases, cancer, cirrhosis, and neurodegenerative diseases represent 91 percent of all deaths.[21]

Gender disparities have widened. In 2025, women represented over 82 percent of registered unemployed persons, while evidence suggests the gender pay gap has increased since 2021. Occupational segregation, part-time work, displacement, and caregiving responsibilities continue to limit women's income and labor market access, increasing exposure to precarious employment. Women and girls also face heightened poverty, food insecurity, and gender-based and conflict-related sexual violence. At the same time, war veterans and members of the armed forces—both women and men—experience gender-specific impacts related to combat exposure, injury and disability, reintegration challenges, and mental health needs.

Overall, durable recovery requires a shift from fragmented assistance toward integrated systems that ensure safe housing, decent work, appropriate care, and dignity. Priority investments include the following:

- Social and affordable housing programs that will increase security and transparency in the private rental sector, tailored to the needs of different social groups
- A comprehensive social services system and associated infrastructure
- Inclusive labor market integration through vocational training and reskilling
- Strengthened data collection and research that disaggregates data (by sex, age, disability status, war veteran status, and ethnic minority status) to track differential impacts and support the recovery, including the needs for social services and housing.

[19] Kyiv School of Economics, "The Future Index (Child Well-Being Index)", 2025, Link.
[20] United Nations, "Results of Initial Health Labour Market Analysis in Ukraine," WHO Regional Office for Europe, 2024, Link.
[21] WHO, "Ukraine: NCD Country Profile." 2018, Link.

2026 RECOVERY AND RECONSTRUCTION PRIORITIES

Ukraine's planning and prioritization for recovery in 2026 is anchored in the ongoing Public Investment Management (PIM) reform, aligned with the Ukraine Plan and EU Regulation 2024/792 establishing the Ukraine Facility. The PIM Roadmap (December 2023) and the PIM Implementation Action Plan (June 2024) created the institutional, regulatory, and procedural foundations for a modern system during 2024–2025. Preparation of the 2026 State Budget marks the first full budget cycle under the updated PIM procedures, which will continue strengthening over the subsequent budget cycles. The PIM system governs the identification, appraisal, and prioritization of public investments at the state, regional, and local level. State-level public investments are consolidated into a state level Single Project Pipeline (SPP) and all sub-national public investments should be consolidated into 24 regional and 1,469 local SPPs (with each region and municipality maintaining their own SPP). These SPPs serve as the central reference for financing and implementation related decisions at various levels of the government.

This chapter presents the Government of Ukraine's recovery and reconstruction priority needs for 2026. These were prepared under the leadership of the Ministry for Development of Communities and Territories of Ukraine (MDCT) in coordination with the Ministry of Finance (MoF), the Ministry of Economy, Environment and Agriculture (MoEEA), and other line ministries that provided sector level data. Needs were identified through two processes: (i) selection of public investment projects and programs from the SPP under the PIM system, and (ii) a separate, government-led prioritization of non-investment recovery programs that address urgent social and economic needs without distorting capital investment planning. This distinction reflects the structure of the recovery effort, which combines capital investments in infrastructure and public services with targeted financial support measures for households, businesses, and communities.

The recovery and reconstruction priorities identified by the GoU include both public investments projects (PIP) and public investment programs as well as non-investment programs, with total financing needs of US$15.25 billion in 2026. Of this amount, US$11.27 billion (around 74 percent) relates to public investment projects and programs originating from the SPP, while US$3.98 billion (around 26 percent) comprises non-investment programs (Table 3). State Budget allocations and confirmed partner financing cover about US$5.77 billion, or roughly 38 percent of total 2026 needs, leaving an overall financing gap of approximately US$9.48 billion (around 62 percent).

PUBLIC INVESTMENT PROJECTS AND PROGRAMS FROM THE SPP

The public investments for 2026 encompass 195 projects and programs from the SPP, with needs totaling US$11.27 billion. The priority areas for public investment for 2026 were approved by the Strategic Investment Council. SPP 2026 is used as the sole source of data for compiling the list of priority investments. The portfolio comprises 131 projects and 64 programs and includes both capital and related operating expenditures.

Table 3. Priority areas for recovery needs in 2026 (US$ million)

Priority area for recovery	Number of SPP projects & programs	Adjusted 2026 priority needs (SPP)	Available 2026 financing (SPP)	Number of non-SPP projects & programs	Adjusted 2026 priority needs (non-SPP)	Available 2026 financing (non-SPP)	Total number of projects & programs	2026 priority needs (total)	Available 2026 financing (total)
Water supply and sanitation	14	169	42	0	0	0	**14**	**169**	**42**
Energy and extractives	58	4,891	1,607	0	0	0	**58**	**4,891**	**1,607**
Heat supply	*5*	*1,620*	*10*	*0*	*0*	*0*	***5***	***1,620***	***10***
Housing	6	979	90	7	1,591	304	**13**	**2,570**	**394**
Education and science	11	1,223	382	4	53	23	**15**	**1,275**	**405**
Health	23	502	455	0	0	0	**23**	**502**	**455**
Emergency response and civil protection	3	43	11	0	0	0	**3**	**43**	**11**
Social protection and livelihoods	6	301	157	10	1,256	984	**16**	**1,557**	**1,141**
Transport	55	2,656	890	0	0	0	**55**	**2,656**	**890**
Explosive hazards management	3	9	7	1	35	0	**4**	**44**	**7**
Multisectoral	16	493	274	13	1,046	537	**29**	**1,538**	**811**
Total	**195**	**11,266**	**3,916**	**35**	**3,980**	**1,848**	**230**	**15,245**	**5,765**

Source: MDCT (2026). *Note:* SPP = Single Project Pipeline.

In line with the PIM Roadmap, projects were reviewed by three key PIM ministries: (i) the MoEEA, for strategic alignment and economic justification (including environmental aspects); (ii) the MDCT, for consistency with the State Strategy for Regional Development; and (iii) the MoF, for financial justification. Only initiatives with a clearly defined 2026 financing need, adequate implementation readiness, and consistency with sectoral and strategic priorities were selected. Projects lacking realistic 2026 financing prospects were excluded to safeguard portfolio credibility. State guarantees for selected investments are treated as contingent liabilities and presented separately from budget-funded investments to avoid overstating available resources. Under RDNA4, the total 2025 needs included the full amount of state guarantees, which led to slightly overstated needs. RDNA5 has refined this approach by excluding state guarantees in the total needs for 2026 and presenting them separately.

The 2026 public investment priorities align with the 12 priority areas defined in Ukraine's Medium-Term Plan of Priority Public Investments (MTIP) for 2026–2028. These are transport, energy, housing, municipal infrastructure, health care, education and science, legal activity and justice, public finance, environment, public services and digitalization, public safety, and the social sphere. For consistency with the RDNA analysis, these areas are mapped to nine standardized RDNA sectors.

Overall, the number of public investment projects and programs in 2026 decreased by 44 percent compared to 2025, reflecting a shift in the PIM moving away from many fragmented initiatives toward more structured and more strategic sectoral programs (Table 4). Sectors like water supply and sanitation, housing, transport, and social protection show a decrease in PIPs and programs and available funding in 2026. In contrast, in the energy sector the number of PIPs doubled and funding increased by 24 percent, reflecting heightened investment prioritization. In the health sector, the number of PIPs declined by half compared to 2025, while total funding increased by 44 percent, suggesting a concentration of resources on a smaller number of high-priority investments. Multisectoral programs increased significantly, with estimated needs growing more than fourfold and funding more than doubling. This trend may indicate a shift toward integrated programs covering multiple sectors at once.

Table 4. Comparison of 2025 priority needs (RDNA4) with 2026 priority needs (RDNA5): PIPs and programs by priority areas, USD million

Priority area for recovery	Number of SPP projects & SPP programs+non-SPP		Adjusted priority needs (SPP+non-SPP)		Available financing (SPP+non-SPP)	
	2025	2026	2025	2026	2025	2026
Water supply and sanitation	23	14	730	169	541	42
Energy and extractives	29	58	4,802	4,891	1,292	1,607
Housing	31	6	4,025	2,570	608	394
Education and science	66	11	1,225	1,275	465	405
Health	49	23	860	502	317	455
Emergency response and civil protection	8	3	78	43	43	11
Social protection and livelihoods	42	6	2,020	1,557	1,448	1,141
Transport	82	55	2,992	2,656	2,262	890
Explosive hazards management	12	3	236	44	31	7
Multisectoral	6	16	352	1,538	352	811
Total	**348**	**195**	**17,323**	**15,245**	**7,359**	**5,765**

Source: MDCT (2026). *Note:* SPP = Single Project Pipeline.

Programs in the sectors are formed based on PIPs submitted by regions and hromadas. Following a full cycle of assessment and review under the PIM, eligible PIPs will be integrated into national sectoral portfolios and subsequently into the national programs under the SPP. The final number of eligible PIPs, as well as the adjusted financing needs for the respective sectors, will be determined upon completion of this cycle and reflected in the next year's priorities. This approach is consistent with the PIM, avoids duplication, and facilitates integration of local initiatives into the national programs.

The largest unfunded investments are concentrated in a few critical sectors: energy, transport, housing, and education and science, together accounting for the majority of the total needs for 2026. The gap in energy is about US$3.3 billion; in transport about US$1.77 billion, including US$0.12 billion in border infrastructure, US$0.18 billion in roads, US$1.03 billion in raill, US$0.25 billion in port infrastructure, and US$0.42 billion in public transport; in housing about US$0.9 billion; and in education and science about US$0.84 billion. Coverage levels vary significantly: healthcare is about 91 percent financed, while transport and energy are roughly 33 percent financed each. By contrast, heat supply is less than 1 percent financed, housing is only about 9 percent financed, and emergency response and civil protection is about 27 percent financed. These figures highlight substantial underfunding in the most critical and socially sensitive sectors.

NON-INVESTMENT PROJECTS AND PROGRAMS

Priority non-investment needs for 2026 total US$3.98 billion across 35 projects and programs, of which about US$1.85 billion (around 46 percent) is secured and US$2.13 billion remains unfunded. These priorities fall outside the SPP because they do not meet public investment criteria; however, they remain essential for recovery. The MDCT, together with the Main Budget Holders, prioritized these non-investment projects and programs to address urgent needs without distorting capital investment planning.

The approach taken to determine non-investment priorities under RNDA5 differed from RDNA4. Prior to estimating financing needs, recovery and reconstruction projects and programs were screened to ensure realistic and confirmed financing needs for 2026—based on State Budget

allocations and expected support from IFIs and development partners. This approach prevented expanding the project portfolio without confirmed capacity for implementation and absorption of funds.

Non-investment measures include compensation for destroyed or damaged housing, as well as demining, concessional lending, and multisector economic support programs. Several flagship programs—such as eRecovery, eOselia, the 5-7-9 loan program, and the new SvitloDim energy resilience program—have been approved by the Cabinet of Ministers. Nonetheless, significant funding gaps persist beyond 2026 with the following unmet needs: US$53.07 billion for housing programs such as compensation for war veterans' housing in territories temporarily not under government control and compensation for lost and damaged housing; US$13.52 billion for social protection programs; US$1.8 billion for economic programs; and approximately US$1.28 billion for education and science. The transport and explosive hazards management sectors also face funding gaps of US$0.21 billion and US$0.10 billion, respectively.

FINANCING DISTRIBUTION FOR 2026–2028

The Inter-Agency Budget Commission approved a consolidated list of priority public investment projects and programs and their financing distribution for the 2026–2028 State Budget. Financing is dominated by the State Budget and complemented by major international partners—including international financial institutions/development financial institutions and bilateral partners—with specialized funds supporting specific sectors. Resources are concentrated in a limited number of sectors: transport receives about 28 percent of the total allocation, education and science about 27 percent, energy about 15 percent, and health care about 13 percent. Together these four sectors account for more than 80 percent of allocations, reflecting the focus on restoring critical infrastructure, maintaining essential services, and supporting economic recovery. Other sectors, including municipal infrastructure, public safety, legal services, environment, and digitalization, each account for relatively small shares of the total portfolio.

PROGRAMS AND PUBLIC INVESTMENT PROJECTS AT REGIONAL AND LOCAL LEVELS

Ukraine is advancing medium-term public investment planning at subnational level. To ensure that medium-term plans for priority public investments are aligned with strategic objectives, regions and communities should take into account the relevant development strategies at the appropriate level.[22] As of early 2026, all 24 regions and more than 895 hromadas have approved MTIPs, while 23 regions and approximately 740 hromadas have formed SPPs. In total, community and regional pipelines include more than 8,166 projects, and several hundred additional communities are still preparing SPPs. Over 2,000 projects have been submitted to the MDCT for sectoral assessments in municipal infrastructure, housing, and transport. Under Cabinet Resolution No. 527 (February 28, 2025), regional projects are evaluated quarterly by line ministries based on sector strategies, ensuring that only initiatives aligned with national priorities and sector objectives are incorporated into national sectoral portfolios.

For the 2026 prioritization, regional and local projects are reflected indirectly through national investment programs. Recovery needs at local and regional levels were estimated using aggregated data from the DREAM (Digital Restoration Ecosystem for Accountable Management) platform rather than local and regional SPPs, given differences in portfolio readiness, inconsistent criteria, and fragmented information. To avoid double-counting and preserve a unified PIM logic, local initiatives

[22] In accordance with the information submitted to the DREAM platform.

that can be integrated into national sectoral portfolios are counted through the relevant national programs. After a full assessment cycle and inclusion of local and regional projects in sector portfolios and subsequently in the SPP, these projects will be reflected in the next year's priorities of Ukraine.

THE ROLE OF PROJECT PREPARATION FACILITIES AND PROJECT PREPARATION UNIT WITHIN THE PIM

Preparing ready-to-implement priority investment projects at scale will be critical for advancing recovery and reconstruction. The government has therefore established a Project Preparation Unit (PPU) as an inter-agency mechanism to coordinate technical assistance for project preparation provided by multiple project preparation facilities (PPFs) and complementary initiatives supported by international partners. The PPU—comprising the MoF, MoEEA, and MDCT—identifies priority projects under the PIM process that require preparation support and channels them to available PPFs. An initial set of pilot projects from SPP 2025 was allocated to PPFs for preparation in July 2025. In February 2026, 10 additional priority projects from SPP 2026—in transport, energy, municipal infrastructure, and health care—were selected for preparation. This process is intended to expand the pipeline of bankable projects and improve absorption of reconstruction financing over the medium and long term, in part through PPPs and private financing. Currently active PPFs include the Ukraine Government PPF supported by the World Bank Group, and Ukraine FIRST led by the European Investment Bank (EIB) and European Bank for Reconstruction and Development (EBRD). The established PPF structures are expected to begin delivering results in 2026 through the preparation of well-structured new projects. These efforts, combined with parallel support from bilateral and international partners across multiple sectors and at the municipal level, are strengthening the overall project preparation ecosystem and improving the readiness of public investment projects.

CROSS-CUTTING STRATEGIC AREAS FOR RESILIENT RECOVERY AND RECONSTRUCTION

Private Sector-Led Economic Recovery

Despite the destruction and displacement, Ukraine remains a country of opportunity. Opportunity arises from its advancing integration with the European Union, a process that opens markets, anchors reforms - including near-term priorities on rule of law, judicial reform and anticorruption - and drives productivity growth and modernization. Also, the emergence of new and resilient sectors and skills, including in IT and defense technologies, creates jobs and prosperity. If done right, reconstruction can attract substantial foreign and domestic investment, which can revitalize local economies. Strong support from the international community and a vibrant civil society are also strengths the country can rely on.

Realizing these opportunities is not an automatic process. The destruction of capital, acute labor shortages, and substantial macroeconomic imbalances constrain growth. Increased poverty and social pressures from job losses, displacement, and migration pose social risks. Most importantly, Ukraine's old economic model, with its weak competition, large informal economy, and heavy state footprint, will not generate the business dynamism needed for recovery. As highlighted in the section on macroeconomic impacts, Ukraine's short-term baseline growth projections do not foresee a substantial acceleration. Assuming a return to pre-2022 growth rates, converging to 25 percent of EU per capita GDP—the level of Poland when it joined the EU in 2004—would take over 30 years. In response the Government is developing a post-war economic strategy—the "Ukraine Economy of the Future" (UEF) (Box 2)[23]—that builds on the EU-accession process to support strong private sector-led economic recovery and prepare Ukraine's economy for EU accession.

In the UEF long-term economic scenario modelling faster growth is feasible with strong improvements in the three fundamental growth drivers: productivity, labor and physical capital through investment. Under a moderate growth scenario—with higher productivity growth, positive net migration, and a significant increase in private investment compared to pre-2022 levels—GDP per capita could grow at 4.3 percent per annum, allowing Ukraine to reach 25 percent of the EU average within roughly 23 years. Under an ambitious high growth scenario, with productivity growth more than tripling from pre-2022 levels, net migration of over 3 million, and total investment rising to 24 percent of GDP, per capita growth could reach 6 percent per annum, bringing convergence to 25 percent of the EU average within 15 years. The investments required under these scenarios include reconstruction needs (RDNA) as well as growth-enhancing investments.

To improve growth drivers, Ukraine would need to accelerate and deliver on its ambitious reform agenda, anchored on the EU accession path, and including existing reform commitment. Many reforms can be done now, even before a ceasefire. A comprehensive package of policies, reforms and programs is needed, based on and complementing the existing reform agenda under the IMF and World Bank Group supported programs, Ukraine Plan and the EU accession path. The stronger the reform effort, the higher the growth dividend, especially because there are important complementarities between the reforms. Horizontal policies apply across the economy and aim to increase the accumulation of physical capital through investment, the supply of labor (inputs), and

[23] The Ukraine Economy of the Future is an ongoing initiative of the Government of Ukraine, led by the Ministry of Economy, with technical support from the World Bank Group, to develop a robust post-war economic strategy: "The Ukraine Economy of the Future" that can restore confidence to the private sector and people of Ukraine and support the EU accession process.

how efficiently those inputs are allocated and used i.e., productivity. Vertical policies focus on parts of the economy and aim to alleviate sector-specific growth constraints.

Box 2. Horizontal policy areas and sectoral strategies highlighted in the ongoing UEF initiative

Horizontal policy areas:

1. **Establishing strong growth foundations by maintaining macroeconomic stability and strengthening governance and rule of law.** Implementing reforms to enhance government effectiveness, fight corruption, and strengthen the rule of law is seen as central to restoring investor and public confidence. A well-designed growth-enhancing fiscal adjustment, which widens the tax base, removes energy price distortion that hinder private sector investment, supports reconstruction and high defense spending, while improving debt sustainability is also highlighted.
2. **Implementing deep business environment reforms to improve productivity and mobilize private capital.** Policy levers highlighted include: developing and diversifying the domestic financial sector; derisking and mobilizing FDI and other sources of foreign capital; privatization and liberalizing markets; deeper trade integration; simplifying business regulation; deploying smart industrial strategies and firm support; utilizing AI and technology to increase innovation; increasing competition and firm dynamism; and de-shadowing the economy.
3. **Rebuilding critical infrastructure in energy, housing, and transport and ensuring affordable access to utilities to deliver concrete results for the people.** Reconstruction is viewed as a strategic opportunity to modernize and upgrade infrastructure. Key to this is creating markets—e.g., in housing— and, attracting private capital (including through PPPs; see the next section, "Leveraging Private Sector Investment for Reconstruction and Recovery Needs"). Strengthening public investment management at both the central and local/hromada level is a cross-cutting priority.
4. **Increasing the skilled labor force and strengthening social sustainability.** Policy levers highlighted include: comprehensively reforming labor regulations in line with the EU *acquis* and labor income taxation; increasing access to and quality of care and health services; strengthening skills development and employment programs; and attracting migrant workers. A comprehensive overhaul of the pension and social assistance systems is seen as key to improve work incentives, address poverty, ensure fiscal sustainability, and strengthen social cohesion.

Sectoral strategies:

Ukraine's economy has traditionally been dominated by agriculture and heavy industries, but comparative advantages have changed since 2014, and new sectoral opportunities are emerging. Sectors with high FDI potential attract foreign capital, accelerate technology transfers and innovation, and support global value chain integration. Nine priority sectors have been identified: Transportation Infrastructure, Heavy Machinery, IT & Digital Services, Miltech/Defense, Agrifood/Agribusiness, Construction Materials, Electronic Components, Critical Raw Minerals, and Renewable Energy. Realizing the growth potential in these sectors involves broad business environment and infrastructure reforms (in line with the horizontal policy areas and with Ukraine's EU accession path) combined with sector-specific interventions.

Ukraine has already made significant progress in those areas, supported by reforms that are necessary for EU accession and the implementation of the Ukraine Plan, including market opening reforms and creating conditions for investments in growth-driving sectors. Accelerated integration into the EU Single Market remains a near-term strategic priority, building on opportunities under the EU-Ukraine Deep and Comprehensive Free Trade Agreement.

Continued strong international support and partnerships would be important to help Ukraine achieve its vision and calls for structured coordination, including through the Ukraine Donor Platform**.** Access to markets and foreign investment will help economic recovery, address external imbalances, finance reconstruction, and enable technology transfers. Defense assistance and partnerships would reduce the risk of defense spending crowding out other needs in the budget.

Technical assistance and development partner financing can support the budget and help make the adjustment path less steep and stay on course on essential but difficult reforms.

The following sections focus on strategic and cross-cutting priority areas necessary for Ukraine's inclusive, efficient, and resilient recovery and reconstruction. These priority areas are: (i) leveraging private sector investment for reconstruction and recovery needs; (ii) supporting sustainable and inclusive development and job creation; and (iii) undertaking a area-based and integrated approach for recovery and reconstruction.

Leveraging Private Sector Investment for Reconstruction and Recovery Needs

The central challenge for Ukraine's recovery is to mobilize sufficient resources to meet vast and evolving needs. While public funding remains essential, the scale of reconstruction far exceeds the likely level of public resources that will be available in the coming years from the state budget and donors. The role of the private sector—both domestic and international—is therefore more pivotal than ever to not only supplement public investment but also drive productivity and innovation. This subsection therefore assesses the potential for private sector participation in recovery and reconstruction and the enabling role of public policy.[24]

Overall, if needed conducive reforms and interventions were implemented, up to 40 percent of Ukraine's estimated recovery and reconstruction needs over a decade could be covered by the private sector, albeit with variation across sectors (Figure 9).[25] Such reforms are also key to unlocking broader private investment opportunities and going beyond direct reconstruction needs.[26] The assessment for the main groups of sectors is as follows:

- **Productive sectors:** In these sectors, including agriculture, commerce and industry, tourism, and finance, a large share of assets are privately owned, and investment is generally profitable. While most needs are expected to be met by private companies and investors, the public sector has a key role to play in advancing investment climate reforms, developing de-risking mechanisms, providing support services, and investing in public infrastructure. In sectors where SOEs are dominant, such as banks and parts of manufacturing, privatization can help attract private capital.

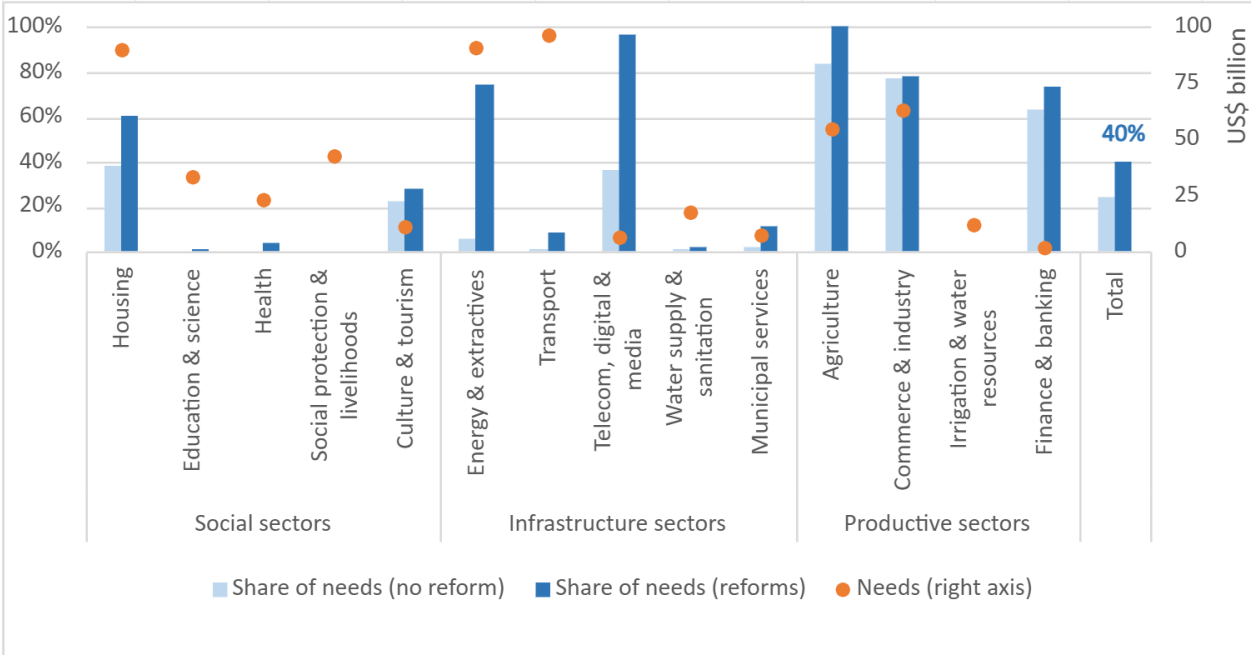
[24] The assessment is built on IFC, "Private Sector Opportunities for a Green and Resilient Reconstruction in Ukraine," 2023, World Bank Group, Link. This report used data from RDNA2 covering damage, loss, and needs as of February 24, 2023. Revisiting this report in the current context allows assessment of the progress made over the past two years in carrying out reforms and developing opportunities for private participation in priority sectors. For a detailed presentation of historical trends, opportunities, and obstacles related to private investment in different sectors, refer to the IFC report and IFC, *Country Private Sector Diagnostic: Doubling Down on Reform—Building Ukraine's New Economy*, 2021, Link.

[25] IFC's 2023 report on private sector opportunities (PSO) concluded that, with enabling reforms, up to a third of total needs could be met through private investment, with variations across sectors. This is compared to private investment opportunities in a status quo scenario ("no reform"). While the maximum potential in each sector and the needed reforms have not changed dramatically since 2023 in most cases, the aggregate figure evolved due to a mix of (i) change in the distribution of estimated needs across sectors, (ii) revised assumptions about the potential for private participation in some sectors given reforms, and (iii) adjustment to the RDNA and PSO methodologies for some sectors. For details about the methodology for each sector, see IFC, "Private Sector Opportunities for a Green and Resilient Reconstruction in Ukraine," 2023, World Bank Group, Link.

[26] For an estimation of additional opportunities that could be enabled by reforms in the different sectors, see ibid. In practice, there may be trade-offs between investment in different sectors given that total private investment is bound by macroeconomic constraints and that capital will flow to priority sectors and projects with the highest risk-adjusted returns. Investment opportunities in some sectors (e.g., manufacturing, agriculture) may also be conditional on investment in others (e.g., transport and energy infrastructure).

- **Infrastructure sectors:** Sectors such as energy, transport, municipal services, and water supply and sanitation are capital-intensive and largely publicly owned, although segments, such as renewable energy,[27] are driven by private players, and the private sector also plays a major role in telecommunications and postal services. The potential for private investment to address needs is large, with some exceptions (e.g., water supply, irrigation). However, realizing this potential hinges critically on reforms to enable private participation, advance privatization, and fix issues with governance and financial sustainability. The ongoing strengthening of public investment management systems at the central and local levels is also crucial, as is the development of de-risking mechanisms for long-term investments.
- **Social sectors:** The private sector will likely be able to address only a small share of needs in sectors such as health, education, and culture; but recent sectoral and horizontal reforms could facilitate pilot projects, including through hybrid PPPs combining private and public resources to attract investors for projects that are economically justified but not financially viable on a purely commercial basis. Housing is a different case, as most investment has historically been financed by private funds through household savings. Market-oriented reforms, such as reforms of mortgages and rentals, could help modernize the sector and unlock more private capital.

Figure 9. Sectoral needs and potential private sector contribution



Source: IFC 2026. *Note:* Needs cover the period 2026–2035.

Across sectors, three main levers should be used to maximize the private investment that addresses reconstruction and recovery needs:

- ***Ensure a conducive and predictable investment regime to boost investment by domestic firms and attract foreign investors.*** Achieving this end requires not just passing legislation, but also adopting bylaws, building capacity, and implementing enforcement regimes. Notable progress was made over 2024–2025, including through the Ukraine Plan, with reforms in key sectors, such as agriculture, industry, and infrastructure. These were complemented by various horizontal reforms, such as development of political and war risk insurance solutions; modernization of the legal framework for PPPs and concessions; streamlining and digitalizing of business regulations; strengthening of the rule of law and anti-corruption systems; reduction of the state footprint in

[27] Except hydropower, which is state-owned.

the economy by strengthening SOE governance and enhancing competition; and reduction of the size of the shadow economy. While some progress was achieved, these horizontal reforms need to accelerate and deepen in the coming years (as underscored in the Ukraine Economy of the Future). Alignment with the EU *acquis* is already having significant impacts and will remain an important driver for reforms, while deeper integration into European networks and markets opens new opportunities.

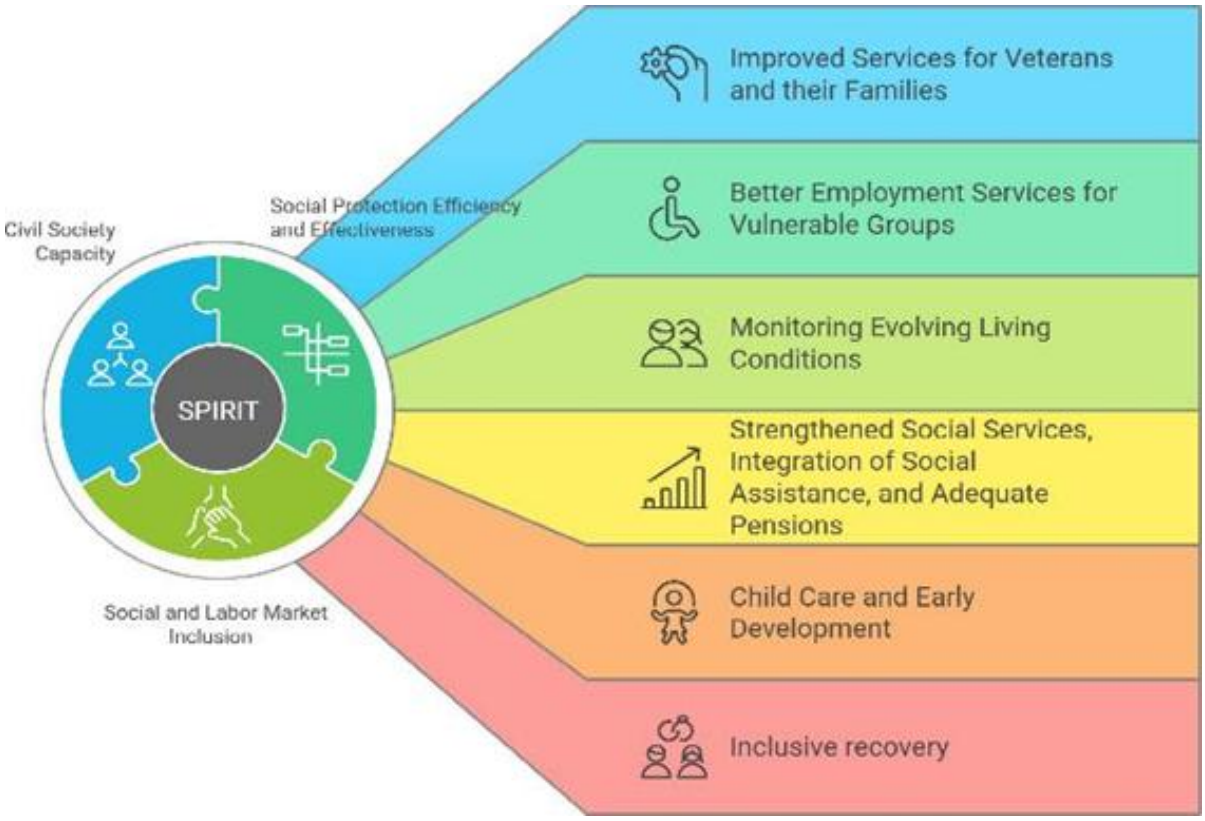
- ***Continue to scale up and diversify the sources of private capital, both domestic and foreign, that can be mobilized to finance investment opportunities for recovery and reconstruction across sectors.*** Here, also, some progress was achieved, in particular with the Ukraine Investment Framework playing a critical role in stimulating private capital. The Strategy of Ukrainian Financial Sector Development, which was updated in June 2025, provides a roadmap to deepen reforms. Moreover, efficient use of available blended/concessional finance will remain a key complement for sectors and projects that cannot be financed on purely commercial terms. In particular, de-risking tools, including guarantees and insurance products, can mitigate actual and perceived risk levels, which are likely to stay elevated in the coming years. De-risking instruments must be tailored to the most binding risk types faced in each sector (e.g., country/political, regulatory, market/demand, counterparty, construction/completion, etc.). Where bankability remains thin, as in social sectors, schemes such as viability gap funding can help attract private investors.
- ***Enable private sector growth through strategic public investment projects (which often leverage private capital themselves), public services, well-designed incentive schemes, and business support programs***. In several sectors, private companies should be able to mobilize enough capital to address a large share of, or even all, reconstruction and recovery needs; but public support will remain key to enable this potential.

Supporting Sustainable and Inclusive Development and Job Creation

Social sustainability and human development are also critical for a job-rich recovery. The ongoing situation has caused profound demographic and human capital losses that create complex dynamics, including depletion of the labor force, displaced populations, families who have lost loved ones, evolving roles for women, and war veterans returning home. Children, women, the elderly, and persons with disabilities face disrupted support networks and heightened risks. Women in particular have taken on increased caregiving and economic burdens. In this context, managing expectations around reconstruction and recovery, ensuring equitable access to opportunities, and maintaining social cohesion will be critical to sustaining the reforms and securing broad public support for them. These challenges will require thoughtful solutions.

Inclusive recovery will depend on protecting and rebuilding the human capital needed for Ukraine's future economy. To address immediate social challenges and build sustainable systems that will cater to Ukraine's future recovery and reconstruction needs, the Social Protection for Inclusion, Resilience, Innovation, and Transformation (SPIRIT) analytical program (Figure 10), led by the World Bank Group and financed by the UK Foreign, Commonwealth and Development Office (FCDO) (through the Ukraine Relief, Recovery, Reconstruction and Reform Trust Fund [URTF]), has identified essential areas of investment not only for equity, but also for productivity and long-term growth: social protection, vocational training, return of refugees, reintegration of soldiers, etc.

Figure 10. Social Protection for Inclusion, Resilience, Innovation, and Transformation (SPIRIT) program



Source: Assessment team.

Recovery involves an evolution of the social protection and service delivery system toward greater effectiveness, coherence, and sustainability. This can include adjustments in the design and targeting of social protection benefits, continued reforms in pensions and disability assessment frameworks, exploration of more needs-based assistance approaches (such as Basic Income support), and expansion of early childhood education and care. Improved coordination between social assistance and employment services, together with strengthened local government capacity for service delivery, can further support inclusive access to services for war veterans, persons with disabilities, displaced people, women, children, and other vulnerable groups.

Public trust is an important factor for social cohesion and long-term stability. This is closely linked to the effectiveness of cross-government coordination, data, and monitoring systems, as well as to mechanisms that enable citizen and stakeholder engagement in reform processes and recovery planning and implementation.

Moreover, job creation in Ukraine is closely linked to labor supply dynamics and firms' capacity to grow. The contraction of the labor force will be shaped by trends in refugee return, labor force participation (especially among women), and the reintegration of displaced workers and demobilized military personnel. Labor shortages are increasingly cited by firms as a constraint on production expansion and job creation, while skills mismatches continue to limit growth. These could be addressed, for example, through demand-driven reskilling programs and strengthened employment services, alongside more dynamic business environment factors.

Undertaking an Area-Based Approach and Adapting the Comprehensive Restoration Pilot

As Ukraine progresses on its path to recovery, an appropriate focus on spatial dimensions and adequate support at the local level become increasingly important. Global experience, particularly from conflict-affected settings, shows that area-based approaches[28] can deliver more sustainable results by focusing on cities and neighborhoods as integrated systems.[29] This is especially relevant for Ukraine, where some hromadas are shrinking while others are growing due to displacement, creating very different service and investment needs. Given that locally owned and operated assets account for around one third of all damage, and that hromadas continue to lead implementation despite severe resource constraints, strengthening local-level investments and support can significantly accelerate recovery and support Ukraine's EU accession path. To restore and upgrade local authorities' ability to steer reconstruction efforts the GoU piloted a Comprehensive Restoration Program (Box 3).

Given limited financial resources, higher investment in one hromada reduces resources available to others. A sustainable comprehensive recovery program therefore requires a transparent and nuanced approach to prioritizing and phasing investments, ensuring that limited funding is allocated equitably and aligned with local needs over time.

While retaining core area-based and integrated principles, expanding such program would require recalibrating its design and implementation arrangements to reflect a broader scope, capacity constraints, and alignment with ongoing reforms and regulatory frameworks. Investment planning should be consistent with updated spatial plans, public investment management reforms, and realistic assessments of municipal budgets and long-term operation and maintenance capacity.

Recognizing these challenges, the GoU is refining the program design and undertaking technical assessments in collaboration with partners, including the World Bank Group. This work aims to strengthen prioritization, sequencing, and efficient use of scarce resources to maximize coverage, support EU accession requirements, and reinforce the transformational potential of the area-based recovery approach.

[28] The terms "area-based approach" and "place-based approach" are used interchangeably, as they are guided by the same underlying principles.

[29] The area-based approach to recovery necessarily factors in BBB principles. In the case of Ukraine, these include principles that are prioritized in the Ukraine Facility Plan, including (among others) resilience, energy efficiency, accessibility, accountability, and citizen engagement.

Box 3. GoU Pilot Comprehensive Restoration Program and Further Adaptions

The GoU piloted a Comprehensive Restoration Program, launched in 2024,[30] in five heavily affected smaller hromadas—Borodianka (Kyivska), Trostianets (Sumska), Posad-Pokrovske (Khersonska), Tsyrkuny (Kharkivska), and Yahidne (Chernihivska)—with the objective of restoring and upgrading the full ecosystem of local infrastructure and services, applying BBB principles, including energy efficient and universally accessible restoration.[31] The approach simultaneously addresses housing, social and transport infrastructure, education and cultural facilities, heat and water supply, and waste management through integrated planning. The program is jointly implemented by the MDCT and the State Agency for Restoration and Development of Infrastructure (SARDI), in close cooperation with local governments, through a bottom-up process in which communities and local authorities identify reconstruction needs, which are then consolidated at the regional level and submitted for coordination at the national level. Capacity and resource constraints at the local level are supported by SARDI throughout implementation.

Results of the Comprehensive Restoration program are most visible in Borodianka, where 600 of 800 damaged assets have been restored, 78 percent of housing rehabilitated, solar panels installed to secure uninterrupted power in communal areas, over 10 km of water and sanitation networks replaced, and public Wi-Fi and accessibility upgrades introduced; similar integrated restoration and area upgrades are underway in Trostianets and Yahidne, including pedestrian zones, landscaping, modernization of lighting, and 12 km of improved streets.

Building on the pilot, the GoU plans to expand the program to an additional 15 hromadas, including medium-sized and larger cities. The expanded program has been included in the SPP,[32] marking a potential scale-up of the area-based approach beyond smaller pilot communities. Initial outcomes indicated that (1) integrated, area-based recovery improves efficiency and alignment with local needs; (2) scaling up requires careful consideration of demographic and economic shifts,[33] as population decline in some areas and growth in others—driven by displacement—mean that investment decisions must be guided by current and projected population patterns to avoid over or under investment; (3) bottom-up planning led by communities supports more relevant investments, while combining infrastructure with people centered improvements can enhance livability and support returns, as seen in Borodianka (an upsurge in returnees has increased the town's population to 80 percent of pre-February 2022 levels); and (4) the need for strong central level coordination alongside local leadership—while local governments play a key role, sustained national support is required to address capacity and financing gaps and to use reconstruction as an opportunity to modernize infrastructure.

[30] Verkhovna Rada of Ukraine, "On the Implementation of the Pilot Project for the Restoration of Settlements […]", Resolution of the Cabinet of Ministers of Ukraine, together with the Procedure and Specifications, dated 25 April 2023, No. 382" [in Ukrainian], Link.

[31] Measures include thermal upgrades to housing, solar panels and backup power for social facilities, and barrier free access across restored assets.

[32] See DREAM Public Investment Program, "Program for the Comprehensive Restoration of Settlements, Microdistricts and Neighborhoods of Ukraine," Link.

[33] Swati Sachdeva et al., *Forced Displacement: An Agenda for Cities and Towns*, World Bank Group, 2025, Link.

Moving Forward

To improve growth drivers and enhance opportunities for job creation, Ukraine needs to accelerate reform efforts, including existing commitments. Policies and reforms should align with and build on existing GoU plans and reform commitments, including the EU Ukraine Plan, the National Program for Adoption of the EU Acquis (within the framework of the negotiation process on Ukraine's accession to the EU), and International Monetary Fund and World Bank Group programs (in accordance with the GoU Reforms Matrix), as well as the Ukraine Sustainable Development Goals commitments led by the Interdepartmental Working Group in the Cabinet of Ministers. There are also important reforms that are not existing commitments but are impactful and feasible to do even under current security conditions. The strong reform effort would be consistent with the high-growth scenario of the UEF, while any reduced reform effort would move the trajectory toward the moderate-growth scenario of the UEF.

Readiness for large-scale reconstruction should also be strengthened by leveraging the support available from PPFs, including for development of PPP projects. Ukraine cannot wait until financing arrives, as high-quality, investment-ready projects cannot be assembled on demand, and delays in preparation would slow recovery and erode investor confidence. Effective reconstruction requires a disciplined PIM system for clear definition of strategic priorities, transparent prioritization of projects, rigorously prepared feasibility and design studies, and investment decisions aligned with fiscal constraints and the EU reform path. Strong project preparation is critical not only for securing public investments but also for mobilizing private capital, as it produces infrastructure projects that are bankable, well structured, and grounded in sound risk allocation—preconditions for enabling successful PPPs.

Enhanced absorption capacity and a resilient project implementation system are equally essential to ensure that well-prepared projects translate into timely and tangible results. A well-developed project implementation system, supported by capable ministry-level program management and available Project Implementation Units, provides the structures and processes needed for effective delivery. By establishing clear procedures, defined timelines, and harmonized standards across sectors, the implementation system reduces delays, prevents bottlenecks, and strengthens accountability. A sustainable implementation framework not only accelerates delivery of EU, IFI and nationally financed investments, but also builds long-term institutional capacity, enabling the government to manage an expanding and increasingly complex investment portfolio with confidence.

Annex 1. Summary of RDNA5 Methodology

RDNA5 presents an assessment of the physical damage to Ukrainian infrastructure and assets as of December 31, 2025, quantifies 64 months of losses (both actual and projected for 18 months from December 31, 2025), and estimates financial needs for recovery and reconstruction for the next 10 years (2026 to 2035). RDNA5 follows a globally established and recognized PDNA methodology jointly developed by the World Bank, the EU, and the United Nations. This approach has been applied globally in post-disaster and conflict contexts to estimate the impacts of the event and to inform recovery and reconstruction planning. The report uses standard terminology; key terms are highlighted in "RDNA5 Key Definitions" at the start of the report. Like previous RDNAs, RDNA5 integrates the most recent data and estimations, avoids double-counting, and deducts recovery and reconstruction needs met where relevant and available. Changes in estimates since RDNA4 are primarily driven by continued impacts of the invasion, but also compounded by methodological refinements, improved data, inflationary pressures, and an updated exchange rate.[34] The assessment is subject to inherent and documented data limitations.

A streamlined, benchmark-based methodology was introduced for eight sectors—which jointly account for under 5 percent of total damage and needs—to enhance analytical efficiency while preserving accuracy and comparability of overall results. The approach uses sector-specific extrapolation rates based on previous RDNA trends, actual damage and loss patterns observed under RDNA5 in other sectors, and spatially explicit conflict-intensity dynamics obtained through the WRUDP provided by the National Security and Defense Council of Ukraine.

The RDNA5 assessment, at sectoral level, observes changes in the physical counts of damaged and/or destroyed assets at a more granular level (by subsector, asset type, and oblast), which have impacts on the aggregated values. However, translating these physical figures into aggregated monetary values at the overall sector level is affected by the hryvnia's depreciation against the US dollar, as well as rising inflation, labor costs, and unit costs over the extended RDNA5 assessment period. As a result, overall trends should be interpreted with caution. In addition, the influence of conflict-intensity data on RDNA trends requires careful consideration. Given the continuous nature of the assessment process in Ukraine, each new iteration captures only newly damaged assets and/or records the relative change in previously reported damaged assets, which due to additional strikes have now been classified as destroyed under RDNA5. Finally, RDNA5 data reflect the best and most up-to-date information available as of the cutoff date. Consequently, some values reported in earlier RDNA rounds have been revised, either upward or downward. The "needs met" data have also been refined; however, as this information remains unevenly collected across sectors, deductions from outstanding needs may unevenly affect sectoral- and oblast-level trends.

Taken together, these interlinked factors across sectors mean that trends cannot be considered straightforward or directly comparable over time. Each RDNA iteration is an analysis that applies the latest validated data and methods, with findings that are as accurate as possible given available information. Certain trends can be observed in headline numbers, but aggregate physical impacts, methodological constraints, data availability, and external factors such as exchange rate fluctuation may affect monetary estimations, especially when data broken down by sector or geographic location are considered.

[34] RDNA5 uses the December 31, 2025, exchange rate of US$1 = UAH 42.3878 and €1 = UAH 49.857. RDNA4 used the December 31, 2024, exchange rate of US$1 = UAH 42.039.

Annex 2. RDNA5 Team

The RDNA5 team would like to express its deep appreciation to all individuals and organizations who contributed to this assessment (listed below and in Table 5).

From the Government of Ukraine, support was provided under the guidance of Oleksii Kuleba, Deputy Prime Minister for Restoration, Minister for Development of Communities and Territories of Ukraine; Alona Shkrum, First Deputy Minister for Development of Communities and Territories of Ukraine; Nataliia Kozlovska, Deputy Minister for Development of Communities and Territories of Ukraine; Maryna Denysiuk, Deputy Minister for Development of Communities and Territories of Ukraine; Oleksandr Kava, Deputy Minister for Ministry of Finance of Ukraine; Daryna Marchak, Deputy Minister for Economy of Ukraine; and Yegor Perelygin, Deputy Minister for Economy of Ukraine.

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Table 5. RDNA5 Team

Core team
Government: Alona Shkrum, Maryna Denysiuk, Natalia Kozlovska, Oleksandr Kava, Oleksandr Petroshchuk, Yuliia Tiulenieva, Illia Bagmet, Oleksandra Novak, Solomiia Kotsan, Denys Sobol, Vladyslav Davydov, Daryna Marchak, Yegor Perelygin, Olena Riabtseva, Alla Kinshchak.
World Bank Group: Elif Ayhan, Jun Rentschler, Oleksandra Shatyrko, Sevara Melibaeva, Asmita Tiwari, Krunoslav Katic, Farah Soraya Ridanovic, Debashree Poddar, Needa Malik, Yue Man Lee, Nithin Umapathi, Nadia Kislova, Bennett Morgan, Nicole Frost, Amy Lynn Stilwell, Victor Zablotskyi. From the International Finance Corporation: Antoine Coste, Mouad El Mansouri, Victoria Tetyora, Anna Zvolikevych.
European Commission: Vincent Winterhager, Frederico Mollet, Fatih Aydogan, Niamh Griffin.
United Nations: Sitara Syed, Yaroslava Babych, Aliaksei Vavokhin, Ildar Gazizullin, Rana El-Houjeiri.
2026 Investment Priorities
Government: Maryna Denysiuk, Oleksandr Petroshchuk, Yuliia Tiulenieva, Illia Bagmet, Oleksandra Novak, Solomiia Kotsan, Denys Sobol, Olha Shvets, Maryna Babii, Oksana Gryshkevych, Kateryna Nazarenko, Kateryna Samsonyuk, Olha Kravchenko, Smuryhin Yevhen, Alla Kinshchak, Pavlo Skalozub, Olena Riabtseva, Oleksandr Kava, Roman Lysenko, Yaroslav Tashuta, Ihor Schitchenko.
World Bank Group: Urska Zrinski, Fabienne Mroczka, Sevara Melibaeva.
European Union: Pierre-Yves Bellot.
UN: Sitara Syed, Yaroslava Babych, Aliaksei Vavokhin, Ildar Gazizullin, Rana El-Houjeiri.

Macroeconomic impact, poverty
Government: Olena Riabtseva, Vita Bochkivska, Mykhailo Kaplun, Oleksandr Kava, Roman Lysenko, Oleksandr Karasevych, Kira Spiridonova, Pavlo Yatsko, Oleksandra Novak.
World Bank Group: Antonis Tsiflis, Florian Blum, Judy Yang, Britta Laurin Rude.
European Union: Vincent Winterhager, Oksana Porguga.
United Nations: Paul von Kittlitz, Carlota Rego, Ildar Gazizullin.
Human impact assessment (social sustainability and inclusion; displacement/fragility, conflict, and violence; gender)
Government: Oleh Shymanskyi, Ruslan Babii, Tetiana Biloshapka, Yurii Muzyka, Mykola Boiarkin, Tetiana Kiriienko, Serhii Sobchuk, Andrii Andrushchenko, Svitlana Koval, Solomiia Kotsan, Oleksandra Novak, Ihor Korkhovy.
World Bank Group: Murat Onur, Oleksandra Shatyrko, Joy Aoun, Stephen Francis Pirozzi, Jennifer Solotaroff, Charlotte Vuyiswa McClain-Nhlapo, Biljana Ginova, Anastasiia Bobrova, Yuliia Kabanets, Alina Khelashvili, Nataliia Lomonosova, Yuliia Nazarenko, Yaroslav Onyshchuk, Sviatoslav Zembitskyi.
European Union: Øyvind Opland, Fernando Fonseca, Nteivis Tsaka.
United Nations: Nina Schrepfer, Clara Bastardes Tort, Sebastian Carrasco, Giada Dimaria, Shameza Abdulla, Iryna Vintoniuk, Larysa Savchuk, Kateryna Haiduk, Aziz Karimov, Kostiantyn Boichuk, Olena Ivanova, Myroslava Mosiiuk, Adelasia Divona, Julia Broussard, Kateryna Kalendruz, Sofiia Pyshnieva.
Housing
Government: Oleksandr Petroshchuk, Oleksandr Spytko, Solomiia Kotsan, Denys Sobol, Ihor Korkhovyi, Illia Bagmet.
World Bank Group: Debashree Poddar, Tengiz Gogotishvili, Asmita Tiwari.
European Union: Krzysztof Gierulski, Stanislav TopoInytskyi, Irena Gabrielaintiene.
United Nations: Teresa Smith, Gwendoline Mennetrier, Olga Liuta.
Education and science
Government: Yevhen Kudriavets, Anastasiia Sofiyenko, Inna Kilderova, Iryna Shumik, Roksolana Shvadchak, Yevhen Kotorobai, Zoriana Chernii, Nataliia Atamanenko, Lesia Suprunenko, Tetiana Dalevska, Zoriana Chernii, Oleksandra Novak.
World Bank Group: Enrique Alasino, Yana Konotopenko, Rafael Fernandez.
European Union: Kateryna Dukhnych, Øyvind Opland, Adrien Olszak-Olszewski, Minna Hakkarainen.
United Nations: Daniel Cuturic, Chiara Dezzi Bardeschi, Oleksandr Marusiak, Olena Tsyplitska, Emmanuelle Abrioux, Alvaro Fortin.
Health
Government: Edem Bekirovych Adamanov, Vadym Borysovych Lisovskyi, Solomiia Kotsan, Valeriia Bratchenko.
World Bank Group: Christophe Rockmore, Ajay Ram Dass, Oleksandr Zhyhinas, Denys Vinnichuk.
European Union: Mira Didukh, René Steiner, Fernando Fonseca.
United Nations: Khrystyna Chaika, Amaah Penn, Jarno Habicht, Nataliia Piven, Artem Skrypnyk, Serhii Tytiuk, Anne Leavens, Kostiantyn Boichuk.
Social protection and livelihoods
Government: Tetiana Kiriienko, Serhii Sobchuk, Andrii Andrushchenko, Svitlana Koval, Oleh Shymanskyi, Ruslan Babii, Tetiana Biloshapka, Solomiia Kotsan.
World Bank Group: Erik Caldwell Johnson, Roman Zhukovskyi.

European Union: Øyvind Opland, Nteivis Tsaka.
United Nations: Erik Jonsson, Paul von Kittlitz, Chinedu Obi, Sergiy Savchuk, Carlota Rego, Aziz Karimov.
Culture and tourism
Government: Halyna Hryhorenko, Yevheniia Puhachova, Kristina Yefimenko, Olha Hordiichuk, Anastasiia Bondar, Alina Velychko, Oleksandra Novak, Oleksandr Vesheleni.
World Bank Group: Guido Licciardi, Jun Rentschler.
European Union: Minna Hakkarainen, Diana Wolski.
United Nations: Chiara Dezzi Bardeschi, Joe Kallas, Maïssa Acheuk-Youcef.
Agriculture
Government: Polina Ivashchenko, Oleksandr Siroshtan, Kateryna Hlynska, Oleksandra Novak.
World Bank Group: Oleksandr Muliar, Irina Schuman, an Kolodiazhnyi (KSE), Dmytro Teslenko (KSE), Mariia Bogonos (KSE).
European Union: Lehne Max Philipp, Frank Rothaus Jensen, Giuseppe Aristei, Anna Fedun, Frederico Mollet, Vincent Winterhager.
United Nations: Aziz Karimov, Anna Burka, Dragan Angelovski, Kjell Sundin, Aleksa Mirkovic.
Irrigation and water resources
Government: Taras Kot, Igor Kovalov, Andrey Kravchenko, Olha Pazynych, Polina Ivashchenko, Oleksandra Novak.
World Bank Group: Ranu Sinha, Ana Cecilia Escalera Rodriguez, Olga Zhovtonog, Poolad Karimi.
European Union: Olga Simak, Max Philipp Lehne, Giuseppe Aristei, Michael Wolf.
United Nations: Aziz Karimov.
Commerce and industry
Government: Olena Riabtseva, Vita Bochkivska, Mykhailo Kaplun, Ivan Livyi, Oleksandr Palazov, Veronika Goritska, Oleksandr Karasevych, Kira Spiridonova, Pavlo Yatsko, Oleksandra Novak.
World Bank Group: Alberto Criscuolo, Dennis Sanchez Navarro, Iryna Piontkivska, Dmytro Goriunov.
European Union: Frederico Mollet, Benjamin Amara, Iryna Hubarets, Dominykas Vitkus.
United Nations: Aliaksei Vavokhin.
Finance and banking
Government: Oleksandr Kava, Roman Lysenko, Pervin Dadashova, Dmytro Vasylyna, Oleksandra Novak.
World Bank Group: Johanna Jaeger, Yevhen Hrebeniuk, Tetiana Belska.
European Union: Alessandro Nocera, Vitaliya Mudruk.
United Nations: Stanislav Shlapak
Energy and extractives
Government: Anatolii Kutsevol, Yuliia Kyian, Volodymyr Pustovhar, Oleksandr Petroshchuk, Vitalii Ferenz, Solomiia Kotsan, Denys Sobol, Pavlo Krapyvnytskyy.
World Bank Group: Silvia Martinez Romero, Dzenan Malovic, Roman Novikov.
European Union: Ingrid Sager, Aron Kerpel Fronius.
United Nations: Kateryna Haiduk, Prashant Kumar, Yuliia Rybak.
Transport
Government: Sviatoslav Tovstyha, Dmytro Petrov, Olena Tkachenko, Mykola Ananiev, Oleksandr Yashyn, Heorhii Stepanenko, Yuliia Chapovska, Olena Kostiuk, Andrii Hrytsak, Viktoriia Gnatiuk,

Oleksandr Stoyachenko, Oleksandr Pavlichenko, Oleksandr Petroshchuk, Illia Bagmet, Solomiia Kotsan, Denys Sobol.
World Bank Group: Antonio Nunez, Yevhen Bulakh, Anna Vazhnenko, Anton Hagen.
European Union: Daniel Jacques, Janis Wiegand, Svitlana Didkivska, Kornelija Vasauskaite, Fatih Aydogan.
United Nations: Mekki Lahlou.
Telecommunications, digital, and media
Government: Oleksandra Novak, Elina Gansetska, Sofiia Matvieieva.
World Bank Group: Maria Claudia Pachon, Marta Khomyn, Mykhailo Kolstov.
European Union: Olga Simak, Alessandro Nocera, Judith Orland.
United Nations: Diana Moshkovska, Livia Schaeffer Nonose, Viktoriia Omelianenko.
Water supply and sanitation
Government: Olena Koziichuk, Oleksandr Petroshchuk, Illia Bagmet, Solomiia Kotsan, Denys Sobol, Vitaliy Surai.
World Bank Group: Stjepan Gabric, Ivaylo Hristov Kolev.
European Union: Olga Simak.
United Nations: Nicolas Osbert.
Municipal services
Government: Diana Novikova, Natalia Zaytseva, Oleksandr Petroshchuk, Yurii Muzyka, Mykola Boiarkin, Oleksandra Novak, Denys Sobol.
World Bank Group: Debashree Poddar, Joanna McLean Masic.
European Union: Natalia Starostenko.
United Nations: Joao Sobral, Nicolas Osbert, Niina Rinne, Fernando Santiago Rodriguez, Mustafa Sait Ametov, Ana Lukatela, Sinan Karbalaee.
Environment, natural resource management, and forestry
Government: Bohdan Semenenko, Tetiana Dvoretska, Kateryna Zhygalova, Lesia Kostyuchenko, Oleksandra Novak.
World Bank Group: Denis Jordy, Arno Behrens, Myles McDonagh, Irina Ghaplanyan.
European Union: Olga Simak, Jose Barredo, Claudio Belis, Marcela McAndrew, Torsten Woellert; Anna Fedun; Giuseppe Aristei.
United Nations: Pier Carlo Sandei, Mohammad Haris Sherzad, Chiara Dezzi Bardeschi, Aziz Karimov, Mariana Lessa Voita, Soledad Bastidas, Olena Tsyplitska.
Emergency response and civil protection
Government: Oleksandr Diatlenko, Alyona Putiato-Hotska, Valerii Olishkevych, Oleksii Mihrin, Viktor Likanov, Hanna Deminska, Oleksii Shkodych, Gennadii Fedoriuk, Tetiana Pysarenko, Mykola Shevtsov, Andrii Pavlovskyi, Ihor Malysh, Solomiia Kotsan, Oleksandra Novak.
World Bank Group: Asmita Tiwari, Oleksandra Shatyrko, Krunoslav Katic, Farah Soraya Ridanovic.
European Union: Øyvind Opland, Marianna Franco, Johannes Fromholt.
United Nations: Aziz Karimov, Roman Khashchenkov.
Justice and public administration
Government: Liudmyla Suhak, Yurii Skakalskyi, Mykola Shevtsov, Andrii Pavlovskyi, Serhii Serdiuk, Ruslan Zelykin, Oleksandr Kondratuk, Oleksandr Lozinskyi, Solomiia Kotsan, Oleksandra Novak, Iryna Tupchiienko, Natalia Zalevska, Irina Halyvets, Olena Ignachenko.
World Bank Group: Michael Roscitt, Fabienne Mroczka, Urska Zrinski.

European Union: Hanna Oraheimo, Tjasa Zivko.
United Nations: Olena Kulikovska, Nazar Grom.
Explosive hazards management
Government: Dmytro Panshyn, Yurii Polievoi, Ievheniia Bodnya, Dmytro Kozlov, Andrii Kondor, Oleksandr Diatlenko, Alyona Putiato-Hotska, Valerii Olishkevych, Oleksii Mihrin, Viktor Likanov, Hanna Deminska, Gennadii Fedoriuk, Tetiana Pysarenko, Oleksii Shkodych, Mykola Shevtsov, Andrii Pavlovskyi, Ihor Malysh, Solomiia Kotsan, Oleksandra Novak.
World Bank Group: Masanori Yoshikawa, Krunoslav Katic, Farah Soraya Ridanovic.
European Union: Arturo Rodriguez Tonelli.
United Nations: Naomi Konza, Aziz Karimov.
Collaboration with Kyiv School of Economics (KSE)
Vladyslava Grudova, Dmytro Goriunov, Yulia Danyshchuk, Dmytro Topolskov, Inna Studennikova, Yuliya Markuts, Dmytro Andriyenko, Taras Marshalok, Ivan Kolodiazhnyi, Dmytro Averin, Yuriy Holynskyy.

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