

8 Practical Steps to Start Working with Ukraine's Reconstruction

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“We want to work with Ukraine — but where do we start?” This question comes up repeatedly for international companies after events like the ReBuild Ukraine Conference, which just ended in Warsaw. Ukraine's reconstruction needs are enormous and urgent, but the entry path for foreign firms isn't always obvious. Over the past few years, a practical and impact-oriented approach has emerged that aligns with how reconstruction is financed today. Below are eight concrete steps to help your company engage in Ukraine's recovery in a realistic way.

1. Identify Your End-Users in Ukraine

Begin by pinpointing **who** in Ukraine will ultimately use or benefit from your product or service. Understanding the true end-user is crucial because it determines the funding and approval path. End-users in Ukraine can be:

- Private sector companies** (e.g. factories, farms, energy producers or distributors)

- State-owned enterprises** (e.g. energy companies, railways, post operator, etc)

- Government authorities** (central ministries, regional administrations, city councils)

- Private individuals or communities** (e.g. households, schools, NGOs on behalf of citizens)

Often, the real “customer” is not immediately obvious. For example, consider a foreign manufacturer of school desks. Who is the buyer? It could be a city government equipping public schools, a regional education department, private school owners, or even families buying desks for children's at-home learning. Each of these end-users taps into different funding sources and follows different rules. By clearly identifying the category of your end-user, you can tailor your market entry strategy to the right decision-makers and funding channels.

2. Understand Their Procurement Journey

Each category of end-user in Ukraine follows a unique purchasing and approval process. A private business can buy directly or via distributors, whereas a municipality or state enterprise must follow public procurement laws (often through open tenders or e-procurement platforms like Prozorro - BDO has published a free [guide](#) on how to use Prozorro system). Additionally, nearly all budgets in Ukraine are **deeply underfunded and heavily supported by external finance**, especially during wartime. In 2023, for instance, the Ukrainian state budget relied on over \$42 billion in external financing (including grants and soft loans). This means that for many projects, international donors or development banks are involved in the funding and oversight.

Before asking “Who will pay for my product?”, first understand *how* your target customer buys. Map out the procurement journey for your identified end-user:

Do they require a formal tender or bidding process? (Typical for government entities and state-owned firms.)

Are there specific approval gates or committees for purchasing?

What regulations or standards must your product meet in Ukraine (certifications, safety standards, etc.)?

Is their purchase be funded or reimbursed by a donor program, NGO, or development bank?

By answering these questions, you’ll uncover critical requirements. For example, a city government might need to include your product in a development strategy or in a reconstruction proposal to an international donor, or a state enterprise may only buy if financing is arranged through a development loan. Aligning with the customer’s procurement process and financing model is essential. As one analyst noted, it’s pointless to pitch a product without understanding the buying logic behind it. In short, you need to navigate *both* local bureaucracy and the donor-driven financing that fills Ukraine’s budget gaps.

Practical Tip: Talk to people on the ground or experts who have sold to similar customers in Ukraine. If possible, review a recent tender document or request for proposals in your sector to see what requirements and steps are involved. This will prevent surprises later on.

3. Analyze Local Competitors and Define Your Unique Advantage

In Ukraine’s market, trying to compete purely on price is usually a losing strategy. Local Ukrainian producers or suppliers often have significantly lower costs — they benefit from cheaper labor, existing facilities, and no import tariffs, meaning they can almost always undercut foreign imports on price. Instead of price, focus on the **specific value or innovation** your product brings, especially given Ukraine’s current wartime and reconstruction conditions.

Ask yourself: *What is my competitive advantage in Ukraine, and how is it different from other markets?* Some value points to emphasize include:

Durability and Robustness: Can your product withstand harsh environments or fluctuating utilities (e.g. power outages, extreme cold)? In wartime conditions, durability is a huge selling point.

Safety Features: Does it improve safety for users amid war or rebuilding? For example, building materials that are fire-resistant or provide better blast protection, or equipment that meets high safety standards can stand out.

Quality of Materials: If local analogues use lower-grade materials, highlight the superior quality or longevity of yours.

Ease of Transport and Assembly: Logistics in Ukraine are challenging right now. Products that are lightweight, modular, or easy to ship and assemble (even in areas with damaged infrastructure) have an edge.

Eco-Friendly or Energy Efficient: Ukraine's recovery is aiming for modern, green standards. If your solution is environmentally friendly or energy-saving, this can be a selling point both to Ukrainian buyers and international funders who prioritize sustainability.

Multifunctionality: Does your product solve more than one problem at once? Multifunctional solutions (e.g. a piece of equipment that can serve civilian and emergency uses) provide more bang for the buck.

Long-Term Cost Efficiency: Show how investing a bit more now in your higher-quality product will save money over time (less maintenance, longer lifespan). In a resource-strapped environment, decision-makers will consider lifecycle costs, not just upfront price.

For example, imagine you manufacture modular housing units. Local Ukrainian factories might produce basic modules more cheaply. Your task is to define what extra value you bring — perhaps your units are designed to be relocated easily if needed, have superior insulation for winter, or include built-in solar panels for off-grid power. Articulate these advantages clearly. **Your competitive edge in Ukraine may be very different from what it is in other markets**, so tailor your value proposition to Ukraine's conditions.

Practical Tip: Conduct mini market research: identify a few local companies or suppliers offering similar solutions. Conduct a gap analysis to identify territories or sectors where there is a need and scarcity in the supply of your product.

4. Secure Support from a Local Stakeholder (Your End-User)

This step is simple but incredibly powerful: **get a letter of support from the actual end-user in Ukraine who needs your product**. In practice, this means obtaining a written endorsement or intent from a credible local entity — for example, a city mayor, a village council, the director of a state-owned enterprise, a hospital administrator, or the CEO of a company — essentially whoever represents the beneficiary of your solution.

Why is this important? A support letter serves as proof of real demand. It signals to financiers and authorities that *"If this product/service is delivered, we are ready and willing to use it (and possibly co-finance it)."* In the chaotic landscape of reconstruction, international donors and funding agencies receive countless proposals. A concrete expression of need from the ground cuts through the noise. For instance, **a letter from a mayor stating that their city of 50,000 people desperately needs your water purification units and would install them in public schools carries weight** - it shows there's a committed customer, not just a foreign company pushing sales.

How do you get such a letter? Often, it requires building relationships and trust with local stakeholders. You might work through a local partner (see Step 8) or directly approach the potential beneficiary with a well-prepared presentation of your solution. Emphasize that you are seeking funding to *help them* solve a problem. Many Ukrainian officials and business leaders are open to cooperation if it benefits their community or organization, and they will provide letters of support or memoranda of understanding to strengthen your joint funding appeals. Visit Ukraine Recovery events around the world, where you can meet representatives of Ukrainian local authorities. BDO in Ukraine has a [tracker](#) of such events on our website.

Practical Tip: Draft a template letter of support to make it easier for the local stakeholder - include a description of the problem, the proposed solution (your product), and an expression of interest in implementing it. Offer to do the heavy lifting (writing the first draft) so they just need to review and sign. Always get the letter on official letterhead if possible, with a signature and stamp - it looks more legitimate to outside financiers. It may also be a good idea to do a bilingual letter in English and in Ukrainian.

5. Estimate the Scale and Impact of Your Proposal

International partners, donors, and development banks will inevitably ask: “**What problem does this solve, and for whom? How big is the impact?**” Be prepared with clear, quantified answers. After securing local support, you need to demonstrate the scope of need and the tangible benefits your product or project will deliver in Ukraine. This means moving from just “selling a product” to presenting a mini business case or impact brief. Consider including the following in your pitch:

Quantity and Scale of Need: How many units are needed, or how many people/facilities will be served? For example, “500 school desks for 5 schools in X region” or “water filters that can provide clean water for 10,000 residents.” If possible, tie this to official assessments or data (e.g., “According to the regional education department, 5,000 students lack proper desks due to war damage”).

Measurable Impact on End-Users: Explain the direct impact. Does it get kids back in classrooms? Restore electricity to a village? Provide shelter for displaced families? Quantify outcomes: “This project will enable 1,000 students to resume daily classes” or “30 km of roads will be repaired, cutting travel times in half for 20,000 residents.”

Social or Economic Benefits: Go beyond the immediate output and highlight broader benefits. Will this improve public safety, health, or livelihoods? For instance, new street lighting might reduce accidents and crime; new machinery for a local factory might create jobs. If relevant, mention alignment with Ukraine’s recovery priorities (like energy efficiency, job creation, or improved public services).

Outcome Changes, Not Just Gap-Filling: Emphasize how your solution changes outcomes in a positive way, rather than just temporarily plugging a hole. For example, supplying modular medical clinics isn’t just replacing those destroyed

– it could **modernize healthcare delivery in that region**, leading to better health indicators. Donors love to see transformative potential, not just 1-for-1 replacements.

Having this kind of evidence and detail strengthens your case immensely. It shows that you've done your homework and that the investment will deliver real results on the ground. Remember that many funding bodies for Ukraine's reconstruction use an **impact-driven approach**: they prioritize projects that clearly benefit people and communities, not just those that sell a product.

Practical Tip: Try to gather local data or testimonials. A short statement like *"Our community has only 20% of the needed tractors for the upcoming planting season,"* from a Ukrainian farmer cooperative, for example, can underline the need. When you quantify impact, where possible attach sources or evidence (even informal surveys or photos) - it builds credibility.

6. Approach Your Development Finance Partners

Now that you have a solid case – a defined demand, proof of local support, a clear value proposition, and impact metrics – it's time to seek financing and risk-sharing support in your home country or internationally. Different countries channel support for Ukraine through different institutions, but here are common avenues to explore:

National Export Credit Agency (ECA): Almost every industrialized country has an export credit agency that helps domestic companies export to risky or emerging markets. Reach out to your ECA and inform them you have a project in Ukraine. Many ECAs have special programs or higher risk tolerances for Ukraine now. They can provide guarantees, trade insurance, or even low-interest loans that cover a large portion of the project value (often covering 80-90% of the contract value in guarantees - BDO has published [a guide](#) on the topic). For example, Sweden's EKN and other European ECAs have started offering nearly full export guarantees for Ukraine to encourage rebuilding efforts. These guarantees **dramatically reduce the risk** for your company by ensuring you get paid even if something goes wrong.

Development Banks and Finance Institutions: Institutions like the World Bank, EBRD, EIB, IFC, and regional development banks are all involved in Ukraine's reconstruction financing. Identify if your project aligns with any of their funding programs or investment areas (e.g. infrastructure, agriculture, SMEs). Sometimes they issue grants or tenders for specific needs, or they co-finance projects with private companies. Engaging with them can open doors to funding or loan programs.

Your Government's Ukraine Reconstruction Programs: Many countries have set up special funds, task forces, or envoy positions to coordinate reconstruction support for Ukraine. For instance, Italy, France, Poland, UK and other countries appointed a Special Envoy for the Reconstruction of Ukraine to coordinate efforts and liaise with businesses. Check if your country has a dedicated Ukraine reconstruction office, envoy, or support desk (often under

the Ministry of Economy, Trade, or Foreign Affairs). They can guide you to relevant grants or partnership opportunities.

Bilateral Chambers of Commerce and Trade Organizations: Organizations like The European Business Association, the American Chamber of Commerce in Ukraine, bilateral business councils, or trade promotion agencies often have initiatives for Ukraine. They might help connect you with Ukrainian partners, inform you of upcoming donor-funded projects, or even small grant programs. Leverage these networks – attend their Ukraine-related webinars, trade missions, or networking events to stay informed and make contacts.

Donor and Aid Agencies: Traditional donor agencies (GIZ, UK FCDO, etc.) and U.N. agencies are funding a lot of reconstruction and humanitarian projects. If your product fits a humanitarian or recovery need, approach these agencies with your solution (backed by your support letter and impact data). They might include it in a funded project or pilot program.

When you approach these finance partners, bring the materials you prepared: the letter of support, your impact summary, and a clear explanation of the financing gap. Essentially, you're saying: *"Here's a project that Ukraine needs and wants, here's what it will achieve, and here's our skin in the game. We need support to cover X% of the cost or to insure the risk."* With a well-documented case, you may be surprised at the level of support available. Companies with strong proposals have secured partial cost coverage from their governments or international funds (sometimes covering up to 80% of the project cost through grants or soft financing), along with guarantees and war-risk insurance to protect their investment. Export credit agencies from numerous countries have resumed or expanded operations in Ukraine, often providing insurance or guarantees for the majority of an export project's value. These tools **significantly lower the barrier to entry** by de-risking your future activity in Ukraine.

Practical Tip: Don't be shy about seeking support – that's exactly what these programs are designed for. Start by contacting the export promotion or trade finance arm of your government to ask specifically about Ukraine reconstruction support. Prepare a one-page summary of your project to share. Also, use any personal or professional networks: an introduction from a chamber of commerce or a government official to the right person at an ECA or development bank can fast-track your application.

7. Line Up Local Co-Financing for the Remaining Portion

Even if you secure international grants or guarantees, they may not cover 100% of the costs. It's common that a portion (say 10-20%) of the project needs local contribution or co-financing. This demonstrates local buy-in and makes external funders more comfortable. After you've maximized support from outside, plan how to **fill the remaining financing gap inside Ukraine**:

End-User Contribution: If your Ukrainian customer (the end-user) has any budget or capital, see if they can commit a portion. Even a small contribution from a city council's budget or a company's funds shows commitment. They

might, for instance, cover installation or operation costs if the equipment is provided.

Ukrainian Government Programs: The Ukrainian government and regional authorities do have some reconstruction funds and special programs (often funded by international loans). Keep an eye on announcements of co-financing schemes or subsidy programs in your sector. For example, there might be a government program to support local businesses in purchasing new machinery, or a housing reconstruction fund that matches investments. Tapping into these can cover the local share.

Local Budgets: In some cases, oblast (regional) or local town budgets can allocate money, especially if the project is a high priority (like restoring heat to a town). This often requires working closely with local officials and making your case in their budgeting process. If your project has a strong social impact, local authorities might reallocate funds or lobby the central government for resources.

Private Philanthropy and CSR: Ukraine's private sector and philanthropic foundations (both Ukrainian and international) are increasingly involved in funding reconstruction projects. There are Ukrainian charitable foundations, diaspora organizations, and CSR initiatives from corporations that provide grants or donations for specific needs (like hospital equipment, school reconstruction, etc.). If your project has a humanitarian or community angle, consider reaching out to such foundations or corporate CSR programs to cover part of the cost.

Public-Private Partnerships: In some larger projects, a combination of sources might come together - e.g. an international donor covers 70%, the regional government 20%, and a private foundation 10%. Be creative and open to piecing together funding from multiple stakeholders.

The key is that once the majority of the cost is de-risked by external support (Step 6), **the remaining financing is usually attainable locally** if the product is truly needed and impactful. Ukrainian stakeholders are far more willing to find money for a project when they see that international partners are covering the lion's share. Your job is to make that remaining portion as small and reasonable as possible, and to clearly justify it in terms of the benefits. Essentially, you are giving the Ukrainian side an almost "too good to refuse" deal - *"For a 20% contribution, you get 100% of this project's benefits, because external funds will handle the rest."*

Practical Tip: When negotiating local co-financing, frame it in terms of leverage: e.g. *"Your \$1 will unlock \$4 of international support."* This helps local decision-makers see that their limited funds are going a long way. Also, remain flexible - maybe the end-user can't provide cash, but they could provide in-kind support (land, workforce, facilities, or tax breaks) that reduces costs.

8. Partner with a Reliable Local Organization

Last but definitely not least: **find a trustworthy local partner in Ukraine.** No matter how great your product or plan, operating on the ground in Ukraine has practical challenges – from navigating customs regulations to delivering goods in a war-torn region, to servicing equipment after installation. A local partner can make these challenges manageable. Here's what a good local partner can assist you with:

Logistics and Delivery: They understand the current state of infrastructure and can handle transportation, warehousing, and last-mile delivery to the end-user, even in hard-to-reach areas. They'll know which routes are safer or quicker, and how to deal with checkpoints or curfews if they exist.

Certification and Standards: A local partner (or consultant) can help ensure your product meets Ukrainian standards and assist in getting any necessary certifications or approvals. This includes things like certification of conformity (for industrial goods), medical device registration, etc., which can be paperwork-heavy.

Customs and Documentation: Importing goods into Ukraine involves documentation in Ukrainian, dealing with customs tariffs or exemptions, and possibly import licenses. A local agent or customs broker will save you headaches by preparing documents correctly and expediting clearance. They might also help qualify your shipment for any special treatment (for instance, certain humanitarian or reconstruction goods might get duty waivers).

Tenders and Compliance: If you need to participate in public tenders, a local partner can guide you through the Prozorro e-procurement system and ensure your bid is compliant with local law. They can also monitor tender announcements and alert you to opportunities. For compliance, they help ensure you're following Ukrainian regulations (tax, labor, etc.) once you operate.

Ongoing Service and Warranty Support: If your product requires installation, maintenance, or after-sales service, you'll need local technicians or reps. A partner firm can provide technical support to the end-user in their language and time zone. This is crucial for building a good reputation – nobody wants to buy equipment that has no local service backup.

Choosing the right partner is critical. It could be an established distributor, a reputable local company in your industry, or even a non-profit organization or development consultant with strong local experience. Do [due diligence](#): check references and past projects, and ensure their values align with yours (e.g. they should have a good compliance record and not be linked to corruption, as that can derail donor-funded projects).

Working with a local partner not only **accelerates your operations** but also shows funders that you're serious about execution. Many international finance programs actually require or prefer partnerships with local entities to ensure capacity-building and local economic benefit.

Practical Tip: Leverage your network and those business chambers to find good partners. Start with a small contract or pilot with a partner to test the

relationship. It's often wise to have a formal partnership or agency agreement in place, clearly outlining roles and revenue sharing, so both sides are committed and clear on expectations.

Putting It All Together

Entering the Ukrainian market for reconstruction is not a typical export sales process – it's a hybrid of business development, development aid coordination, and local partnership. By following these steps, you transform a daunting question ("Where do we start?") into a structured plan:

1. **Know who you're helping.** Identify the end-user and their needs.
2. **Learn how they buy.** Fit into their procurement and funding process.
3. **Stand out on value.** Tailor your product's advantages to Ukraine's reality.
4. **Prove local demand.** Obtain support from Ukrainian stakeholders.
5. **Show the impact.** Back up your proposal with numbers and benefits.
6. **Engage your home-country and international backers.** Use ECAs, banks, and programs geared for Ukraine to fund the majority of the project.
7. **Close the gap locally.** Work with Ukrainian sources to co-finance the rest.
8. **Execute with local help.** Team up with a local partner for smooth implementation.

Each step makes the next one easier. By the end, you should have a compelling, financially-sound project that not only benefits your company but also genuinely helps Ukraine rebuild. This practical approach has already started to bear fruit for many companies entering Ukraine during this challenging time. With preparation, patience, and partnership, "*working with Ukraine*" can go from a vague intention to a concrete, impactful reality.

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