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the reform effort. While reforms are a political issue and are primarily the responsibility of the official sector, it is likely to materially increase the pace and scope of reforms if private investors become involved in an appropriate way.

The EU and G7 authorities and IFIs/DFIs which are involved in rule of law reforms could partner to create a forum for early adopters and potential investors to detail their concerns on rule of law, corruption and transparency issues. This could also help assess the level of funding that would become available if those (and other) concerns were addressed. The forum could include a dedicated channel with Ukrainian authorities to add impetus to the

Obtaining impact finance would require thoroughly worked-up theories of change around a specific impact objective. This work may need to be initiated by return-focussed investors or asset managers who need concessional financing in order to make investment structures viable. As they may not be deeply experienced in impact finance, the work could be done together with IFIs/DFIs and impact structuring experts.

A difficulty for return-focussed investors would be that their investment strategies would need to align with the chosen impact case, and be compatible with fee structures. However, in the Ukraine recovery context these should not necessarily conflict. Meeting impact objectives may increase expected returns. Blended funds leveraging private impact finance with associated impact evaluation may even provide a point of differentiation at the fund distribution and marketing stage that helps justify the work of putting them together.

Impact objectives and theories of change could include improving institutional quality and rule of law (for example by linking deployment of funding to the achievement of rule of law metrics, together with high governance criteria at asset level), green transition (relatively straightforward given Ukraine's reconstruction plans) or perhaps simply assisting reconstruction by enabling initial structures to get off the ground, which in turn would provide data and examples that other investors can follow.

The bespoke character of impact financing may limit the scalability of this approach for meeting risk capital needs over the medium term. However, if early investment vehicles achieve the aims of both return- and impact-focussed investors, further impact capital on