Reconstruction of Ukraine:
Some thoughts on coordinating the international response
9 June 2022

The international community is focussed on providing immediate support to Ukraine during the war. This is critical right now. While the timing and circumstances of Ukraine’s post-war recovery remain still uncertain, now is also the time to lay the foundations for quicker and easier reconstruction in the future. Among the most important priorities is putting in place an effective governance process to coordinate reconstruction both inside Ukraine and with the international community. This is a precondition of success. The government of Ukraine has already set up a National Recovery Council working on a forward-looking National Recovery Plan and the European Commission has made a very timely proposal to create a Ukraine Reconstruction Platform. This non-paper offers a few suggestions on the way forward to establish consistency.

1. Objectives and principles for coordination

Optimal coordination between the Ukrainian authorities and the international community providing important and necessary support is essential. The scale of the challenge is unprecedented since the end of WWII. To complicate things further, there may be no clear point when hostilities stop and peacetime reconstruction begins. In this effort, resources devoted to reconstruction must be deployed effectively, efficiently and in a transparent manner. International partners will need assurance of Ukraine’s commitment to reform and robust monitoring to make sure it is delivered.

Any coordinating mechanism (“Platform”) should be underpinned by the following principles, to which all of its parties subscribe:

- **Ukraine ownership:** As it is up to Ukraine to determine the country’s future, the democratically elected government needs to have co-leadership in the Platform. The Platform’s institutional design needs to be closely aligned to the Ukrainian reconstruction architecture. The National Recovery Plan developed by the government will set the direction of the country’s recovery and modernisation. It should rely on broad domestic support achieved through inclusive public consultation including local government and civil society.

- **Inclusiveness:** Alongside Ukraine, the Platform needs to include the country’s key international partners. They should encompass the EU, the G7 and other countries as well as the IFIs critical for the delivery of the reconstruction programme.

- **Reform conditionality:** Ukraine’s partners will best support the country by making sure that the conditions for achieving the goals Ukraine set for itself are met. The funding efforts must be tied to the necessary reforms and all partners need to adhere to the same conditionality principles.

- **European future of Ukraine:** Ukraine’s aspiration to become an EU member is of fundamental importance. The EU integration process can provide a strong anchor to Ukraine’s efforts to become a modern, democratic and prosperous country and ensure sustained external support. Reconstruction therefore needs to be supported by dynamic reforms contributing to European integration.

- **Integrated planning and monitoring:** The Platform needs to define reconstruction priorities, organise delivery (“who does what?”) and provide for a robust monitoring system to ensure that the funds are spent purposefully and effectively and that the process is guided by the highest standards of transparency and accountability.
2. **Basic architecture and joint secretariat**

The scale of coordinating reconstruction efforts is of such magnitude that it calls for a *sui generis* solution. A Ukraine Reconstruction Platform, based on the European Commission’s recent proposal, can certainly be at the core of the international efforts. It is anchored in Ukraine’s wish to become a member of the EU and its commitment to implement the necessary reforms and align itself with the EU acquis. The platform envisages a close partnership with other key partners, such as G7 countries, as well as IFIs and international organisations. A strong involvement of these international stakeholders will be critical. The Platform will require political steer, local grounding and technical expertise, and needs to be held together by a well-functioning secretariat. This would call for the following elements:

1. **At the political level**, a steering committee, including the highest level representation of all parties, including the Ukrainian government, the EU, the G7 and others as well as the Heads of key IFIs for Ukraine. The steering committee will guide the international community’s support for Ukraine’s reconstruction and define key priorities and principles.

2. **At the country level**, the Ukrainian authorities need a well-coordinated group of counterparts consisting of the European Commission, G7 Ambassadors and IFI Representatives, building on the good experience before the war. Their role will be to resolve important, cross-cutting issues related to the delivery of the international support.

3. **At the technical level**, the Platform would offer technical expertise and coordination capacity in different sectors which should match the working groups Ukraine has established to formulate its reconstruction plans and rely on the administrative capacity of the European Commission, IFIs and other partners.

A **joint secretariat** should coordinate the overall work at the three levels. The Secretariat will ensure timely flow of information, coordinate follow-up to guarantee effective and efficient use of funds. It will help to monitor progress and ensure consistency and adherence to high standards, alignment of conditionality and transparency. The secretariat should submit quarterly reports to the steering committee. It could be staffed by secondees from key stakeholder institutions such as the European Commission, IFIs and other international partners.

Individual IFIs could support the secretariat and be tasked to lead particular working groups on the basis of their profile and expertise. EBRD would be ready to lead working groups focused on the private sector, the financial system, infrastructure and reforms in related areas – and to ensure coordination with national DFIs in these areas.

This architecture would match the three-tiered structure of the Ukraine Recovery Plan, with the President of Ukraine (as the chair of National Recovery Council) co-chairing the steering group at the political level, the President’s chief of staff and Prime Minister and their staff engaging on country level and the Secretariat of the Cabinet of Ministers (SCMU) engaging at the technical level.

The Ukraine Reforms Architecture (URA), a large-scale programme led by EBRD in partnership with the EU and funded from the Multi-Donor Account, including all G7 partners and aimed at supporting capacity in the Ukrainian government, will support delivery. The Reform Delivery Office (RDO), a unit embedded in the PM office, has already been tasked with providing analytical and coordination support alongside the Secretariat of the Cabinet of Ministers and will thus be a liaison on the strategic level; Reform Support Teams (RSTs), embedded in line ministries, will help achieve substance and discipline at the level of working groups.
3. Turning the concept into reality

The forthcoming European Council and G7 Meetings in June offer an opportunity to agree on the main principles of reconstruction and, in particular, endorse a coordinated, joint effort for reconstruction. At the Lugano conference on 4/5 July, the Ukrainian government is expected to present the outlines of its National Recovery Plan. Ideally, a joint platform could also be announced, with a first meeting of the steering committee taking place in the autumn.