

FOUNDATION

A VISION ENC OF Proposals for the civil agenda for URC-2024

The war and the desire to survive, win, and grow present special circumstances in which civil society is revisiting its functions, roles, influences, and responsibility for bringing Ukraine's victory closer and strengthening international support and solidarity with Ukraine.

Preparing for the Ukraine Recovery Conference (URC) taking place in Berlin in June 2024, experts of civil society organizations and the International Renaissance Foundation (IRF) have developed proposals for a civil society agenda for Ukraine's resilience and recovery.

Our vision is based on the principles of a human-centered approach, participation, and good governance. By the "humancentered approach" we mean that security, opportunities for growth, economic prosperity, inclusiveness, social cohesion, and a safe environment for all are the goal and prerequisite to resilience and recovery of Ukraine.

This document is based on results of a series of expert discussions organized by the International Renaissance Foundation in April 2024 on economic resilience, environment, human dimensions of resilience and inclusive local recovery, with the inclusion of people from affected communities, soldiers, and veterans, and Ukraine's accession to the EU. The document identifies the Verkhovna Rada (Parliament) of Ukraine, the Government, local self-governance, civil society, the private sector, and international donors as key actors and offers recommendations for them to enable people-centered recovery.

This document does not constitute an exhaustive analysis of the current environment or a detailed consideration of all possible recovery pathways. It also does not include financial calculations nor is not intended to serve as a potential framework for budget planning.

Physical security as a foundation and key condition for recovery

Amid the full-scale war, the need for basic security is of fundamental importance for Ukraine. To enable the recovery process, as well as to move towards European integration, Ukraine urgently and strongly needs additional air defense systems, weapons, and ammunition.

Sustainable democracy and the rule of law

Even in times of war, we need to ensure that we maintain and strengthen public demand for democratic governance, open government, and the rule of law. In order to ensure a common voice, we need to build cross-sectoral alliances centered around democratic values and freedoms and promote efforts to build trust in Ukraine. Work on transitional justice mechanisms is also of great importance.

Stable external financing is crucial for funding priority budget expenditures

To this end, it is important to fulfill our international obligations in a timely manner and in their entirety in order to maintain the trust of our partners. This means ensuring the protection of property rights, which is important for business development and, consequently, for the budget's tax revenues. Expenditures on education, healthcare, and social assistance must be efficient, which also requires reform efforts. It is also necessary to ensure the efficient confiscation of Russian assets in Ukraine and reach a consensus on the use of Russian frozen assets abroad to help Ukraine.

Ensuring a clear balance

between the needs of mobilization and sustainability of the labor market is important for the uninterrupted functioning of the economy.

Maintaining and expanding export opportunities

is a critical factor for sustaining and developing Ukraine's economy. This includes ensuring that the Ukrainian sea corridor is fully operational, that logistics chains are well established, and that access to the state border and European markets is maintained.

Ensuring the operation of critical infrastructure

Russia is deliberately destroying Ukrainian civilian infrastructure, including the energy system. There is an urgent need to ensure the protection of infrastructure with modern air defense systems, as well as the emergency restoration of the damaged power grid, sewage, and water supply systems. At the same time, restoration should not just mean a return to the previous state, but the creation of a better, environmentally friendly infrastructure that meets the needs of communities and ensures the achievement of the Sustainable Development Goals of Ukraine.

Overcoming the environmental consequences of the war

The full-scale invasion of Russia causes significant damage to Ukraine's environment, from soil, water, and air pollution to the destruction of biodiversity and entire forest, steppe, and river ecosystems. This includes the man-made disaster caused by the destruction of the Kakhovka hydroelectric power station dam, damage to infrastructure, and massive mining of territories, including agricultural land. In addition, the consumption of natural resources is on the rise in the regions where the people and small and medium-sized businesses have been relocated. A just recovery should take into account the sustainability of development for both the areas directly affected by the war and those indirectly affected due to socioeconomic relocation.

Building community capacity

Many communities in Ukraine do not have sufficient resources, staff, or motivation to effectively manage recovery. There is a significant lack of knowledge about European systems of managing funds for regional development, agricultural policy, environmental protection, etc. There is no methodological support for territorial communities from the responsible ministry. The system of planning for the restoration and development of territorial communities is overly complicated.

Protection and development of human capital

Ukraine is experiencing a decline in labor supply due to disabilities, emigration abroad, and the conscription of people liable for military service. Regular targeted shelling of civilian infrastructure by the Russian Federation and massive population movements within Ukraine complicate access to education, healthcare, and social services. The uncertainty poses a challenge in the context of designing long-term strategies for human capital development.

Strengthening social cohesion and social inclusion

The full-scale war has increased the heterogeneity of Ukrainian society and created new threats in the context of social divisions. Nevertheless, there is currently a lack of systemic governmental, civic, and donor solutions aimed at ensuring an inclusive approach to reconstruction and recovery.

Addressing the demographic crisis

Due to the war, Ukraine is facing a large-scale demographic crisis that cannot be overcome solely by increasing the birth rate. According to the Draft Demographic Strategy of Ukraine until 2040, it is necessary to ensure migration growth of the population, which requires work on cultural adaptation and changing the societal approach to diversity.

Addressing the quality of social services

As a result of the full-scale war, the number of people in need of social services and support from the state has increased significantly. There is a need for more resources, more predictable funding sources, increased state capacity, and a stronger role for non-state actors in providing quality and inclusive social services.

Veteran community as a booster of inclusive reforms

Veterans are people who experience specific contexts and thus have specific needs. Serving in the military affects career experience in civilian life, which makes it difficult for veterans to return to the labor market; however, there are currently no adequate programs to support veterans' employment. Due to the poor quality of social services and weak labor market reintegration initiatives, the veteran community is forced to create such services on its own, targeting broader vulnerable groups.

Outreach to children and youth

Many children and young people growing up in the situation of a protracted armed conflict are deprived of access to offline education and lack socialization and communication skills. Therefore, restoring access to education and creating spaces for communication is an important priority.

Reinventing the memorialization policies

The full-scale war has accentuated the issue of remembrance. Traditional forms of commemoration often lose their relevance and do not meet the needs of modern society, which is looking for more personal and human-centered ways to honor memory.

Restoration based on territory typology

Ukraine's macro-regions in the east and south, center and west have different needs and face different challenges. Recovery of this variety of territories should take into account the level of security and specific reconstruction needs. The frontline regions are particularly vulnerable due to limited access to resources as a result of the war, while the central regions, where a significant proportion of the population, including IDPs, resides, already need to improve their living conditions.

What are the contexts that shape our resilience and recovery?

We have identified three key sets of risks.

Further war escalation, lack of air defense and weapons

Loss and/or devastation of an increasing number of territories; damage or destruction of infrastructure; loss of human capital; large-scale mining of territories, which poses risks to the population and economy; potential loss of export opportunities; slowdown in the implementation of industrial modernization plans; increase in the number of vulnerable categories of the population and further polarization of society in the context of different war experiences.

Internal risks

The risk of a decrease in political will to adopt reforms; inefficient spending of budget funds; lack of protection of property rights; lack of recovery decisions based on data analysis and sustainable development principles; risk of the over-centralization of recovery processes without ensuring proper participation of local stakeholders; delays in establishing a management system for the European Structural and Investment Funds in Ukraine; limited ability to implement certain EU standards due to structural problems and war conditions (compliance with European competitive practices, the principle of free movement of goods, impossibility of full compliance with EU environmental standards); lack of clear economic policy in different types of Ukrainian macro-regions. Lack of systematic planning, needs assessment and forecasting of demand for social services; lack of resources to ensure environmentally conscious behavior of citizens; failure to address the need for specialists for reconstruction and recovery in the formation of state quotas for higher and vocational education.

External risks

Instability of external support (due to elections and/or other factors); unclear legal status of Ukrainians in the EU in view of the expiration of the Temporary Protection Directive in March 2025; difficulty in making consensus decisions on Ukraine in the EU; setting benchmarks for opening negotiating chapters according to the current circumstances of the full-scale invasion in Ukraine; lack of a defined course for internal reform in the EU; neutral position of some countries regarding a full-scale Russian invasion; lack of a final decision on the confiscation of Russian assets and their transfer to Ukraine.

What are the risks for Ukraine?

We have identified five sets of trends that will impact Ukraine's resilience and recovery.

Enhancing basic security

Prioritizing the resilience of economy sectors, facilities, and territorial communities over recovery; protecting Ukraine's critical infrastructure with modern air defense systems; obtaining weapons and ammunition; establishing opportunities for investment in the Ukrainian military-industrial complex; relocating residents from the most dangerous areas bordering Russia; integrating IDPs into territorial communities at their new places of residence; and dealing with issues of reparations, accountability, and justice.

Enhancing relations with the EU

Developing national capacities and innovations through the mutual penetration of Ukrainian and EU markets; expanding opportunities for Ukraine to strengthen the EU through integration into European value chains; preserving and expanding export opportunities for Ukrainian producers, establishing new logistics routes; positioning Ukraine as a contributor to EU foreign policy.

Decentralization

pursuing the decentralization reform, taking into account the demographic, security, and economic situation arising from the war conditions; adopting state programs to support and develop certain functional types of territories; applying territorial impact analysis in decision-making by executive authorities; coordinating sectoral policies at the community level; strengthening the public sector to build more transparent and democratic governance structures at the local level.

Human capital development

Prioritizing the uninterrupted operation of the educational sector, creating educational spaces; shifting priorities in the formation of the state commissioning for training specialists most needed for the reconstruction; rehabilitation and development of the defense industry; creating short-term educational programs (as opposed to long-term formal education); reaching out to children and youth, who form the basis of Ukraine's social capital; reaching out to the diaspora to stimulate their return to Ukraine; enabling people to integrate into communities and re-enter the labor market; and developing quality social services.

Green recovery

Ecological rehabilitation in the wake of the hostilities; decarbonization and climate neutrality as an opportunity to increase the innovative potential of the economy and improve environmental security and public health; green recovery of critical infrastructure.

Verkhovna Rada of Ukraine

- Continue adopting legislation related to the EU integration process and develop a special procedure to synchronize decision-making dynamics with the negotiation process;
- Establish legislative conditions to support the restoration and development of the affected areas and certain functional types of territories with increased security risks;
- Streamline the system of adopting planning documents on recovery, as well as the development and financing of relevant projects.

Government

- Establish a single voice in identifying recovery needs and strategies;
- Develop recovery planning documents based on data analysis, modeling and forecasting;
- Introduce territorial impact assessments for draft decisions that directly or indirectly affect the development of territories into the Government's practices;
- Ensure timely adoption of high-quality regulations to implement the legislation necessary to achieve EU standards, as well as efficient communication on the EU integration processes and decisions;

Government

- Work out Ukraine's stance in the EU membership negotiations in an inclusive manner, with the involvement of business and civil society;
- Develop a multi-level system of institutions for managing the European Structural and Investment Funds in accordance with the requirements of the EU Cohesion Policy and the EU Common Agricultural Policy;
- Continue the civil service reform in the context of filling vacancies, raising salaries, qualification requirements for civil servants, providing training in the English language and the basics of dealing with the EU integration processes;
- Improve coordination with international donors to ensure the effective implementation of state recovery plans and efficient allocation of resources;
- Ensure public participation in recovery decision-making processes;
- Support and cluster small and medium-sized businesses, including those with an innovative component, created by IDPs and veterans;
- Implement the state policy in the field of mobilization on the basis of predictable, transparent, and comprehensible rules and procedures.

Local authorities and communities

 Create local development strategies and programs that include the principles of sustainable development and/or an environmental component;

Local authorities and communities

- Make decisions for strengthening resilience for the autumn-winter period of 2024–25, taking into account the security levels in the communities;
- Modernize the educational process in community educational institutions, improve and equalize the quality of education provided by institutions within the community;
- Develop programs to integrate certain population categories into the labor market at the local level;
- Develop social infrastructure and services at the local level, taking into account the needs of vulnerable groups;
- Monitor and evaluate the effectiveness of communitybased programs to ensure that they meet the needs of the population;
- Pilot European systems and practices of fund management to ensure quality implementation of available EU assistance;
- Proactively communicate with donors, particularly about their challenges, to obtain funds for the implementation of local development plans and strategies.

Civil society

- Contribute to the development of recovery strategies at the central and local levels;
- Assist the government and local governments in implementing recovery decisions and participate directly in recovery projects, in accordance with the CSOs' competencies and capacities;
- Exercise public control and oversight of the recovery process to ensure transparency and accountability of the government and local authorities;

Civil society

- Ensure access to information about the recovery process and facilitate the exchange of ideas and experience;
- Promote cooperation and mutual understanding between the government, communities, donors, and other stakeholders;
- Advocate for equitable distribution of resources and improved institutional effectiveness;
- Provide training and capacity building to communities in the context of recovery planning and use of funds following European standards.

Private sector

- Employ vulnerable groups and invest in social programs aimed at supporting them;
- Collaborate with civil society organizations and government institutions to create joint initiatives focused on recovery needs;
- Collaborate with vocational schools and universities to reduce the skills gap;
- Invest in innovative solutions that will help address specific recovery challenges, taking into account the need for inclusion;
- Adhere to environmental protection standards in their field of activity following EU requirements and implement extended producer responsibility under the draft law "On Packaging and Packaging Waste,..

International donors and partners

- Efficiently coordinate efforts to provide military, financial, and technical assistance, taking into account the typology of Ukrainian regions and their needs;
- Adopt a decision on the confiscation of Russian assets and their transfer to Ukraine;
- Improve the flexibility of funding criteria to include support for veterans who have an active duty status;
- Cooperate with CSOs based on a preliminary analysis of the civil society landscape in Ukraine, as well as a study of the general level of expertise of the government, CSOs, and businesses;
- Identify funding priorities in close consultation with stakeholders, rather than provide assistance exclusively based on the donors' priorities, which may not meet real local needs;
- Develop appropriate tools and provide institutional funding (on a competitive basis) to civil society organizations to strengthen their role in the reconstruction and recovery of Ukraine.

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The document was created with the support of the EU within the framework of the European Renaissance of Ukraine initiative. The opinions expressed in the document reflect the position of the participants of the working groups and do not necessarily reflect the position of the International Renaissance Foundation and the EU.

The International Renaissance Foundation is one of the largest charitable foundations in Ukraine. Since 1990 we have been helping to develop an open society based on democratic values in Ukraine. During its activity, the Foundation has supported about 20 thousand projects. The funding amounted to over \$ 350 million.

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The European Union is made up of 27 Member States who have decided to gradually link together their know-how, resources and destinies. Together, during a period of enlargement of 50 years, they have built a zone of stability, democracy and sustainable development whilst maintaining cultural diversity, tolerance and individual freedoms. The European Union is committed to sharing its achievements and its values with countries and peoples beyond its borders.



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