



Communicating with ease:

KEY MESSAGES ON UKRAINE'S RECOVERY AND BEYOND



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01. INTEGRITY AND ANTI-CORRUPTION

Institute of legislative ideas

High-level messages

- Over the past 10 years, Ukraine has built a strong anti-corruption infrastructure of independent institutions – the National Anti-Corruption Bureau of Ukraine (NABU), the Special Anti-Corruption Prosecutor's Office (SAPO), the High Anti-Corruption Court (HACC), the National Agency on Corruption Prevention (NACP), the Asset Recovery and Management Agency (ARMA).
- Ukraine launched "revolutionary transparency tools" including the register of declarations, which automatically verifies all 700,000 declarations; the most modern register of political party reporting; the most public register of corrupt officials in Europe; as well as Prozorro as the world's most transparent public procurement system.
- Despite the full-scale invasion, Ukraine has approved the State Anti-Corruption Program for 2023–2025, which provides more than 1,700 measures in 15 policy areas to reduce the level of corruption and ensure integrity.
- In 2022, Ukraine ranked 116th out of 180 countries surveyed in Transparency International's Corruption Perceptions Index. Back in 2012, Ukraine ranked 144th.
- Ukraine has a strong civil society, which has been a driver of all anti-corruption reforms and is a powerful watchdog and sometimes an expert partner of the government. An example is our coalition for Ukraine's Reconstruction Integrity, Sustainability and Efficiency.

In-depth messages

- After the Revolution of Dignity, Ukraine established independent anti-corruption bodies that have proven to be effective. However, it is necessary to support their capacity and complete reforms. There is an internal demand for this from the society, and some of these reforms are included in the requirements and recommendations of our international partners.
 - **NABU** – it is necessary to increase the number of detectives from 700 to 1000, to improve their forensic capabilities (in particular, to carry out wiretapping).
 - **SAPO** should become a separate legal entity, not a structural unit of the Prosecutor General's Office. In addition, the procedure for selecting the head of the SAPO should be improved (the appointment of the current head of the SAPO was one of the requirements for Ukraine's candidacy for EU membership, as the competition lasted 1.5 years). It is also necessary to strengthen the procedural independence of the SAPO (for example, the head of the SAPO cannot initiate a case against MPs on his/her own, as well as approve a number of investigative, covert investigative and other procedural actions).

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- **National Police** – we must also pay attention to the need to reform the National Police, as more than 85% of criminal offenses are investigated and brought to court by the National Police. We need to introduce a transparent competition to select an independent head of the National Police, heads of regional units, and integrity checks – some of these measures are already envisaged in the State Anti-Corruption Program.
 - Although some of the anti-corruption safeguards were restricted during martial law, we are gradually restoring them. Thus, from December 10, 2023, the register of declarations will be opened, and by January 31, 2022, all declarations for the period of 2021–2022 must be submitted. The submission of financial reports by political parties has also been resumed.
 - It is worth noting the efforts of civil society in this process: it was thanks to a petition that garnered 83,000 votes in record time that the President vetoed a law that did not provide for the disclosure of declarations, which would have made it impossible for the public to monitor and control.
 - Among the key priorities of State Anti-Corruption **Program** are the completion of the judicial reform, the reform of the anti monopoly legislation – in fact, this is the de-oligarchization of Ukraine, the full digitalization of all spheres by means of 61 measures; ensuring the inevitability of punishment for corruption due to changes in the Criminal Procedure Code and ensuring the independence of the SAPO and NABU. Digital reconstruction control tools are part of the state anti-corruption program.
 - Ukraine is regularly recognized in transparency and accountability rankings. Ukraine is No.1 in the world in terms of transparency of public **procurement**, with a rate of 97% (before the full-scale invasion). In 2022, Ukraine took 2nd place in the **Open Data Maturity** 2022 ranking among 35 countries of the world. Also GRECO removed Ukraine from its black list of states where anti-corruption efforts are "globally unsatisfactory" – we implemented 15 out of 31 recommendations satisfactorily, 9 – partially implemented, and 7 didn't implement at all.
 - The procedures for allocating recovery funds contain anti-corruption safeguards. For example, civil society advocated the need to allocate funds based on the Prioritization Methodology and clear criteria. The commissions that determine the amount of compensation for damaged and destroyed housing must comprise of at least 1/3 public.

FAQ

#	Question	Trigger (what makes them ask this?)	Short non-expert answer	Extended answer with more details
1	If you have such a developed anti-corruption infrastructure, why is there so much corruption in Ukraine?	<p>1. High-profile corruption cases (the head of the Supreme Court, the head of the regional council, the mayor, etc);</p> <p>2. Russian propaganda that "Ukraine is a failed state".</p>	These cases show that the anti-corruption infrastructure is working and exposing criminals.	<p>There are cases of exposing top officials for corruption in all countries, but they are particularly acute in Ukraine, as we need financial assistance from our partners or we need to fight this war.</p> <p>At the same time, strengthening the fight against corruption, including high-level corruption, through active and effective investigations is one of the 7 requirements for Ukraine's EU membership status.</p> <p>The existence of such high-profile revelations is precisely a sign of the effectiveness of anti-corruption bodies.</p>
2	What are the safeguards to prevent money for reconstruction from being stolen?	The same.	The further functioning and development of the anti-corruption system in Ukraine as well as the DREAM ecosystem providing for a total transparency upon which the respective state institutions can act in case of fraud.	<p>The primary safeguard of the DREAM system, which will ensure that the principle of "everyone sees everything" is realized, will allow the public to effectively monitor the reconstruction.</p> <p>In addition, the coalition has been actively developing anti-corruption mechanisms for the procedures for using funds, in particular:</p> <ul style="list-style-type: none"> • allocation of funds based on the prioritization methodology; • transparency of the work of the commissions for the distribution of funds, including by publishing information about their work and streaming meetings; • improving the procedure for determining compensation for damaged housing based on transparent checklists.
3	What is Ukraine's track record of fighting against corruption over the years?			<p>The comparison of CPI (Corruption Perceptions Index) indicators over the past 10 years shows that after the Revolution of Dignity, Ukraine has been steadily improving its performance in the fight against corruption.</p> <p>Since 2013, Ukraine has added 8 points to our results and are among 25 countries (out of 180), which have also significantly improved their positions over the past 10 years.</p> <p>Such steady successes were possible because Ukraine created an anti-corruption ecosystem — introduced from scratch a number of crucial changes that transformed and continue to transform the state and public life in the country.</p>

4	How does Ukraine's anti-corruption infrastructure look like?	There are many anti-corruption bodies in Ukraine and this is sometimes confusing for people who don't follow		Over the past 10 years the following anti-corruption infrastructure bodies were created: the National Anti-Corruption Bureau of Ukraine (NABU), the Special Anti-Corruption Prosecutor's Office (SAPO), the High Anti-Corruption Court (HACC), the National Agency on Corruption Prevention (NACP), the Asset Recovery and Management Agency (ARMA).
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Additional literature / links to other materials for further reading

1. SUCCESS IS THE ONLY OPTION: Essay Collection from the RISE Ukraine Coalition presented in London: <https://www.rise.org.ua/blog/success-is-the-only-option-essay-collection-from-the-rise-ukraine-coalition-presented-in-london>.
2. DREAM: <https://dream.gov.ua>.
3. Information system for monitoring the implementation of the state anti-corruption policy: <https://dap.nazk.gov.ua>.

02. DREAM (DIGITAL RESTORATION ECOSYSTEM FOR ACCOUNTABLE MANAGEMENT)

DREAM Project Office, Open Contracting Partnership

High-level messages

- The post-war reconstruction and modernization of Ukraine are tens of thousands of projects that will take place simultaneously, at different stages, throughout the country.
- The guarantee of financial, expert and technical support of international partners is their confidence and trust of an effective Ukraine's recovery process. This means streamlining and simplifying all reconstruction procedures, harmonizing the Ukrainian procurement system to international standards, improving interaction with potential investors, and experience sharing. DREAM is exactly addressing these issues, being a digital backbone of an effective, fast and sustainable reconstruction of Ukraine.
- DREAM is a national electronic ecosystem that provides a single digital route for all reconstruction projects. Complete transparency and access to data in this system allows all stakeholders to assess the progress of projects and control every stage of the project's life cycle – from registration of damage and destruction to financing, procurement and construction works and commissioning. This ensures full transparency of the reconstruction process of Ukraine fostering trust among all engaged stakeholders.
- The ecosystem implements the highest standards of integrity, accountability, efficiency and transparency in rebuilding fostering trust among all engaged stakeholders, including the government, citizens, businesses and financial institutions.
- Users of the DREAM ecosystem are manyfold: communities and local self-government bodies, central government agencies, international financial organizations, regulatory and law enforcement agencies, public organizations, media etc. All participants of the reconstruction get appropriate access to the profile interface with the necessary management and control tools. The general public will have access to all system data in the form of convenient dashboards in the analytics module.

In-depth messages

- DREAM is a national electronic ecosystem that provides a single digital route for all reconstruction projects. Apart from being the guarantor of total transparency of the reconstruction process of Ukraine, the system also provides for effective decisions regarding the attraction of investments, the development of certain industries, communities and territories.
- It also collects all project data online in accordance with international frameworks and displays this data in the form of convenient tables, graphs and charts.
- At each stage, the system publishes open data in accordance with the Open Contracting Data Standard (OCDS).

- The pilot project of the Sectoral Management System for infrastructure restoration, which is one of the components of the DREAM ecosystem, started in November 2022. During this time period, representatives of enterprises, institutions and organizations belonging to the sphere of management of the Ministry of Reconstruction, as well as local self-government bodies, who joined the testing on a voluntary basis, contributed about 5 thousand project ideas.
- The first stage of the pilot project made it possible to test the system, collect and take user feedback into account. In May, the Government scaled up the "pilot" to central and local authorities throughout Ukraine (amendments to Resolution No. 1286 of the Cabinet of Ministers of Ukraine). In addition, the system now covers not only transport infrastructure, but also construction and real estate. Future legislative changes should provide for an obligatory use of the DREAM system by all its national stakeholders. International partners are also encouraged to use the system to ensure that there is a one-stop-shop for all reconstruction projects in Ukraine.
- The capacity of communities in the development of recovery plans and programs, as well as the initiation and implementation of projects needs further strengthening. Due to high mobility rates outside the country caused by the full-scale invasion local capacities are scarce. The DREAM Academy is addressing these challenges.
- The main initiators of reconstruction projects should be communities, local and regional authorities, which can independently create projects, present them to international partners to attract financial resources and manage the construction process.
- Taking into account the need to strengthen the capacity of communities in the development of recovery plans and programs, as well as the initiation and implementation of projects, a regional network of support offices is being created at the initiative of the Ministry of Recovery. CLIR (Canada), Hoverla (USAID, USA) projects are already set up and running, and the DREAM Academy (UK) will appear later. By the end of 2023, 10 teams will be set up covering dozens of communities and hundreds of projects.
- DREAM is a powerful tool for foreign financial institutions, governments and private investors. Thanks to DREAM, international organizations will be able to choose projects for financing through a common "bank of projects".
- International partners can also monitor how every penny of their financial aid is spent. Having access to all information on purchases, regular reports on the performance of works, audits etc., investors can track the progress of each of the financed projects. This provides transparency, prevents violations or abuses, and builds trust.
- The ecosystem ensures a transparent selection of projects for financing, taking into account their readiness, capacity, state and investor priorities. All project ideas that need financing are presented on the general "project database", and a convenient filter system will help you choose those that interest you the most. For example, an investor can review which project ideas need financing only in the Kharkiv region (regional filters) or all medical facilities that are planned throughout the territory of Ukraine (filters based on the sphere).
- As for already financed projects, the investor gets access to all data on the progress of the project by stages, implementation status, interim reports, etc.

FAQ

#	Question	Trigger (what makes them ask this?)	Short non-expert answer	Extended answer with more details
1	Who gets to decide which projects are subject to priority funding and based on what criteria?	There is not sufficient financing for all projects in the state budget hence prioritization is key.	A single state methodology for prioritizing reconstruction projects is currently being developed that will provide a clear decision making framework on priority funding allocations.	the Ministry of Recovery, together with the World Bank and representatives of civil society, is developing a single state methodology for prioritizing reconstruction projects, which will be integrated into the DREAM ecosystem. The methodology is comprehensive, takes into account many indicators, and will be mandatory when making decisions on state financing of restoration projects, and will also serve as a reference point for foreign investors.
2	Is DREAM mandatory for all stakeholders?	There are many projects that have already been launched or finalized without being inputted in DREAM / before DREAM was launched	For the moment – no, it is not mandatory, but the Ministry and the Parliament will soon prepare legislative proposals foreseeing the mandatory use of the system for all stakeholders in Ukraine.	Future legislative changes should provide for an obligatory use of the DREAM system by all its national stakeholders. International partners are also encouraged to use the system to ensure that there is a one-stop-shop for all reconstruction projects in Ukraine.
3	Who exactly is developing the DREAM ecosystem?	The many stakeholders involved in the development and advocacy of DREAM is confusing	The Ministry of Recovery, the Agency of Restoration, the DREAM Project office (on the basis of the Open Contracting Partnership with the support of Transparency International Ukraine and BRDO) in close cooperation with civil society and international partners are developing and implementing the DREAM national electronic ecosystem. It is financially supported by the UK Government.	<p>As in the case of other successful state systems like Prozorro, Prozorro.Sales and e-Health, the DREAM ecosystem is created by representatives of civil society in close cooperation with the state. Upon completion of development, DREAM will be transferred to the state ownership and administration.</p> <p>The development of DREAM was initiated by the RISE Ukraine coalition. The development of the system is directly managed by the Open Contracting Partnership and BRDO with the support of Transparency International Ukraine.</p> <p>DREAM is currently funded by the UK Government through the Open Contracting Partnership.</p> <p>In June 2023, the DREAM Project Office was established under the Ministry of Community Development, Territories and Infrastructure of Ukraine together with the Open Contracting Partnership with the support of the State Agency for Reconstruction and Development of Infrastructure, Transparency International Ukraine, BRDO and RISE Ukraine.</p>

<p>4</p>	<p>How exactly will DREAM work (present a step-by-step guide on how it works)</p>	<p>DREAM is a complex system that is difficult to understand without having tried or visited the website</p>		<p>Let's consider the DREAM user case with the example of a school reconstruction project.</p> <ul style="list-style-type: none"> • The local self-government body enters relevant data about the destroyed object into the Registry of damaged and destroyed property. • The local self-government body submits the recovery or development plan, which includes, in particular, a project idea – in this case, rebuilding a school, and links this project idea to the information in the Registry of damaged and destroyed property • The local self-government body fills out the project card in the DREAM system, indicating its vision of the new school: number of students, location, premises, functionality etc. • The local self-government body gradually develops the project documentation – prepares a feasibility study, obtains the necessary permits, orders project and estimate documentation, undergoes the environmental impact assessment procedure, receives recommendations, conducts public consultations and receives public support for the initiated project etc. • The school project card goes to the general "project database" on the DREAM platform, where it receives confirmation of funding. • The local self-government body assesses project needs and breaks them down into separate tenders for the purchase of goods, works and services. • The local self-government body holds tenders in Prozorro, the results of which are reflected in the DREAM system. • Contractors carry out the physical work, regularly reporting on their status which is seen on the DREAM platform. The technical supervision confirms the quality of the work performed. • The facility is completed, audited if necessary, and operationalised.
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5	<p>How is the ownership of local self-governance and overall the success of the decentralization reform secured?</p>	<p>Many international partners fear the backsliding on the decentralization reform and point to the overly centralized methods of dealing with Ukraine's reconstruction</p>	<p>DREAM strengthens the capacity of local authorities, guides local authorities along the entire route from the idea to implementation, provides basic templates for standard projects (to simplify the communities' work), provides a platform for finding project funding and fosters local participatory democracy by means of providing a digitized communication platform with local communities.</p>	<p>DREAM strengthens the capacity of local authorities, enables better and faster development of communities and territories, and provides opportunities to attract funding.</p> <p>The ecosystem allows you to digitize community recovery and development plans, turn them into a specific list of projects, and guide them along the entire route from the idea to implementation.</p> <p>Along the way, DREAM provides local authorities with tips and guidance on what exactly needs to be done at each stage of the project's life cycle. In addition, the ecosystem will contain a knowledge base with detailed instructions on project management, as well as a base of object templates, which will greatly simplify the development and launch of typical project ideas.</p> <p>The ecosystem also contains digital tools for interaction with the community, in particular, the results of public hearings, voting etc., are uploaded to the project card.</p> <p>Since all project ideas in DREAM are placed in a single "bank of projects", each community has the opportunity to directly present their own projects to potential investors.</p>
6	<p>Does DREAM offer something to the business community?</p>	<p>Many private sector representatives ask how they can benefit from the opportunities created by DREAM</p>	<p>Both national and international business will have access to the system and will be able to participate in the tenders of approved project.</p>	<p>Economic development is key to successful reconstruction. DREAM helps businesses to better plan their own activities, taking into account the community development plans and initiated projects. In addition, DREAM is a source for finding customers, as the ecosystem provides access to tenders and therefore ensures transparent and equal competition.</p>
7	<p>What is the timeline of DREAM's implementation?</p>	<p>The scope and complexity of the system raises concerns over its achievability in a short time span</p>	<p>DREAM is anticipated to be fully launched by March 2024</p>	<p>November 2023. Approval of the results of the pilot project. Upon completion of the pilot project, the use of the ecosystem will become mandatory for all restoration and modernization projects in Ukraine.</p> <p>December 2023. Approval of necessary regulatory changes for the operationalization of DREAM.</p> <p>March 2024. Full launch of key elements of the DREAM ecosystem.</p>

8	Is DREAM based on any regulatory framework?	Many partners think DREAM is not envisaged in any official documents	DREAM is mentioned in a few official documents by the Cabinets of Ministers of Ukraine, including CMU resolutions and the Government's Priority Action Plan for 2023.	<p>DREAM is implemented as a pilot project in accordance with the Resolution of the CMU of November 15, 2022 No. 1286 "On the implementation of an experimental project to create, implement and ensure the functioning of a single digital integrated information and analytical system for managing the process of reconstruction of real estate, construction and infrastructure".</p> <p>In addition, the use of the system is provided for by the Resolution of the CMU dated February 10, 2023 No. 118 "On approval of the Procedure for the use of funds of the Fund for the Elimination of the Consequences of the Armed Aggression".</p> <p>The system is part of the Government's Priority Action Plan for 2023 and should be operational by the end of the year.</p> <p>From 2024, the use of DREAM will be mandatory for all initiators of restoration projects.</p>
9	Why is the ecosystem called DREAM?		DREAM stands for Digital Restoration Ecosystem for Accountable Management.	DREAM (Digital Restoration Ecosystem for Accountable Management) contains all the key tasks and principles of the ecosystem. This name is understandable both in Ukraine and for international partners and indicates the ambitious plans for the reconstruction of Ukraine. The DREAM ecosystem should become a symbol of transparent and accountable reconstruction of Ukraine and its transformation into a powerful state - part of the EU.

Additional literature / links to other materials for further reading

1. DREAM website: <https://dream.gov.ua>.
2. GMF report containing the usage of DREAM as one of the recommendations for international partners: <https://www.gmfus.org/news/kyivs-mobilization-restoration>.
3. Presentation of the communication platform of DREAM: <https://www.rise.org.ua/blog/the-ministry-for-restoration-and-the-rise-coalition-presented-the-communication-platform-of-the-digital-ecosystem-for-reconstruction-management-dream>.

03. RULE OF LAW AND THE JUDICIAL REFORM

DeJure Foundation

High-level messages

- Judicial reform is moving in the right direction, yet is facing a number of challenges.
- It is crucial for the international partners to closely monitor the reform of the Constitutional Court because the political authorities are trying to establish political control over it.
- The EU is not using its historical leverage and is watering down reforms. Instead, more conditionalities for Ukraine are required.
- The formula for forming judge's selection commissions consisting of three Ukrainian judges and three international experts proved effective only in 50% of cases. The commissions should consist of international experts and Ukrainian civil society representatives.
- More international partners need to be engaged and stand firm on their requirements regarding the judicial reform (since the EU is sometimes too vague or too weak).
- It is necessary to renew the Supreme Court, given the recent corruption scandal. It is crucial to keep in mind that political authorities want to control the Supreme Court.
- The High Administrative Court of Ukraine (HACU) should be established. The formation of the HACU should mirror the formation of the High Anti-Corruption Court.
- Legal education should be subject to reform since Ukraine lacks professional judges and lawyers.

In-depth messages

- Judicial reform is moving in the right direction, given that the Eurointegration depends on reform progress. However, while executing these reforms, authorities, in certain instances, seek to retain or establish political control over areas that should operate independently of political influence, most notably the judiciary.
- It is crucial for the international partners to closely monitor the reform of the Constitutional Court to prevent establishing political control over it. Political authorities already control 5 judges of the CCU, while there are 5 more vacant seats. Thus, they will try to politicise the selection for the CCU to appoint 5 more politically loyal judges. Thus, 10/18 of the judges of the CCU (the majority) will be controlled.
- The EU is not using its historical leverage and is watering down reforms. Instead, more conditionalities for Ukraine are required. Ukraine's EU accession enjoys strong public support (90%). Ukrainians also back reforms (73%) and EU pressure to combat corruption (60.1%). The EU should use this leverage for democratic reforms but hasn't

pushed for depoliticised CCU judge selection effectively. It's been inconsistent and flexible in negotiations with Ukraine.

- The formula for forming judge's selection commissions consisting of three Ukrainian judges and three international experts proved effective only in 50% of cases. Two of the Ukrainian judges on the Ethics Council of the HCJ had integrity concerns while international experts of the Ethics Council didn't engage effectively with local civil society, leading to questionable appointments. In contrast, including reputable Ukrainian judges in the Selection Commission improved the HCJ selection. In summary, judge selection suffers when questionable judges are involved. Therefore, the judges' selection commissions should consist of international experts and Ukrainian civil society representatives with excessive experience in vetting Ukrainian judges' integrity.
- The Knyazev corruption scandal and Kravchenko's election expose the need for a complete Supreme Court renewal. Past reforms (2017) faced criticism for transparency issues and questionable judges. Renewal should involve vetting current judges and engaging international experts and civil society. Voluntary resignations offer an opportunity for new decent judges to come. PCIE and PIC participation is vital.
- DACK's broad jurisdiction posed political risks. It is necessary to create the HACU for national-level cases and a separate Kyiv City District Administrative Court for local matters following the High Anti-Corruption Court model for judge selection and emphasising international expert involvement for successful reform.
- Legal education reform is vital for justice system improvement. It is necessary to retain the USQE for law master's graduates to ensure impartial assessment. It is also crucial to remove legal education from the Ministry of Internal Affairs to avoid corruption risks, as well as abolish junior bachelor and junior specialist degrees because they provide extremely low levels of knowledge.

FAQ

#	Question	Trigger (what makes them ask this?)	Short non-expert answer	Extended answer with more details
1	What is the overall assessment of judicial reform developments in Ukraine?	The judicial reform is an EU approximation requirement, as well as one of the most (if not the most) pressing reform in Ukraine.	In general, judicial reform is moving in the right direction, but there are a number of risks and challenges.	<p>Following Ukraine's attainment of candidate status, there was a substantial intensification of reforms to facilitate the initiation of accession negotiations.</p> <p>Nonetheless, while executing these reforms, authorities, in certain instances, seek to retain or establish political control over areas that should operate independently of political influence, most notably the judiciary. This poses the risk of an undue concentration of power within the President's grasp and a single political faction. Simultaneously, it jeopardises democracy and the prospects of successful integration with the EU.</p> <p>To prevent this dangerous concentration of power and political influence over the courts, the European Union must not merely stipulate reform demands but conduct meticulous and comprehensive assessments to determine whether these reforms are enacted superficially or substantively. Only when genuine, profound reforms are implemented can Ukraine evolve into a successful democratic state within the EU, avoiding the scenario when another Eastern European state grappling with rule-of-law issues will be added to the EU's roster.</p> <p>The stakes are extremely high, but so are the opportunities. There are approximately 2,500 vacant positions of judges, which is nearly half of the entire judiciary. The transformation of the judiciary hinges on the quality of the ongoing reform process. It will determine whether decent judges are appointed to these positions, which could lead to a substantial transformation of the entire judiciary. Conversely, should the reform remain largely superficial, it may lead to the appointment of politically aligned or corrupt judges, preserving the existing status quo.</p>

<p>2</p>	<p>Was the reform of the Constitutional Court of Ukraine a success?</p>	<p>The reform of the Constitutional Court of Ukraine (CCU) is the first of seven points that the European Commission has set for Ukraine to start accession negotiations.</p>	<p>1. The Venice Commission's (VC) actions have hindered the CCU reform because the Commission admitted factual errors, changed its recommendations, thus risked the Court's politicisation.</p> <p>2. Despite 90% of Ukrainians wanting EU integration, the EU isn't effectively using its leverage for the matter of substantial reforms in Ukraine. The USA, UK, Japan, and other G7 countries should step up.</p> <p>3. CCU reform's success and political independence remain uncertain due to ranked voting for candidates for the CCU in the Parliament. Ranked voting can be manipulated by political authorities.</p> <p>4. Politicising the CCU poses democracy risks as it decides critical matters like reintegration, EU/NATO membership, and elections, shifting from a rule of law guarantor to a political executor.</p>	<p>1. In 2020, the Venice Commission (VC) recommended a judge selection commission for the Constitutional Court of Ukraine (CCU) with civil society and international experts. However, it later changed its stance on CCU reform three times between November 2022 and January 2023.</p> <p>Due to the VC's inconsistent stance and insufficient EU pressure, the current procedure carries avoidable flaws. A more consistent VC and a firm EU position from the outset could have prevented these shortcomings.</p> <p>2. Support for Ukraine's EU accession is at an all-time high, with around 90% approval. Furthermore, 73% of Ukrainians support the demands for Ukraine to carry out reforms, without which the accession negotiations cannot begin. 60.1% of Ukrainians support the EU's pressure on Ukraine to overcome corruption. These figures grant the EU a historic lever to push for complex but essential democratic transformations, primarily concerning the reform of the CCU.</p> <p>Unfortunately, the EU has not effectively utilised this leverage to influence Ukraine's political leadership into implementing a genuinely depoliticised process for selecting CCU judges. Instead, the EU consistently referred to the need for reforms based on the VC's recommendations, which, regrettably, failed. The EU lacks a firm and consistent stance and is susceptible to manipulation by Ukrainian political authorities. In negotiations with Ukrainian authorities, the EU has already compromised on some of its previous positions, ostensibly due to Ukraine's "special situation".</p> <p>Military and financial support, which are vital for Ukraine's survival, should be given unconditionally. However, regarding the requirements for European integration, international partners must maintain a clear and resolute stance. It is imperative for other G7 countries to adopt a firm position and establish conditionalities for Ukraine (like the US did).</p>
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			<p>5. A successful reform outcome hinges on appointing international experts who must be entirely impervious to influence from Ukrainian political appointees. Additionally, a Ukrainian civil society representative with extensive experience in vetting the integrity of Ukrainian judges should also be included under the international quota.</p>	<p>3. The current procedure for the selection of judges of the CCU allows for politically loyal candidates to be appointed to the CCU. Under this procedure, during the appointment of judges under the Parliament's quota, voting will take place according to the rating. It grants political authorities significant influence over CCU appointments. If political authorities wish to push a specific candidate, all three Ukrainian political appointees within the Advisory Group of Experts (AGE), the commission that selects the CCU judges, will vote in favour of that candidate, ensuring their favourable ranking for subsequent votes in the Parliament.</p> <p>4. Presently, political authorities have control over five CCU judges, and there are currently five vacant positions. If these vacancies are filled with politically loyal judges, it would mean that 10 out of 18 CCU judges, a majority, would be under political authority. Consequently, this poses risks to democracy, as the CCU holds sway over critical matters, including key reforms, territorial reintegration, EU and NATO accession, and, foremost, the elections.</p> <p>The Ukrainian Constitution separates parliamentary and presidential elections with a six-month interval. However, if a politicised CCU interprets this provision differently and allows simultaneous elections, it could result in an excessive concentration of power in the hands of the President and his political faction.</p> <p>5. To safeguard against the politicisation of the CCU, international organisations should select three international experts under their quota within the AGE, who must be entirely impervious to influence from Ukrainian political appointees. Moreover, international organisations should also incentivise the Ukrainian authorities to nominate Ukrainian members of high integrity capable of scrutinising the integrity of Ukrainian judicial candidates.</p>
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<p>3</p>	<p>Was the reform of Ukrainian judicial governance bodies a success?</p>	<p>The continuation of the reform of Ukrainian judicial governance bodies is the second of seven points that the European Commission has set for Ukraine to start accession negotiations.</p>	<p>1. The High Council of Justice (HCJ) and the High Qualification Commission of Judges (HQCJ) reform has made progress in enhancing the integrity of their compositions. However, doubts about the integrity of certain members remain.</p> <p>2. The mixed judge selection commissions, comprising three international experts and three Ukrainian judges, are effective in only 50% of cases. The Ethics Council, responsible for HCJ candidate selection, recommended appointing candidates with serious integrity concerns, while the Selection Commission for the HQCJ exhibited better results.</p> <p>3. International experts (i.e. Public Council of International Experts) and representatives of civil society (i.e. Public Integrity Council) should be involved in the selection of judges.</p>	<p>1. The HCJ and HQCJ reform has improved their compositions in terms of integrity. Previously, these bodies were the main cores of the judicial mafia. But even after the reform, there are still doubts about some members' integrity and as a result ambiguous practice of the rebooted authorities. The decision of the Ethics Council (the vetting commission of the HCJ composition) to keep interviews private and not broadcast them raised concerns about candidates dispelling integrity doubts. Furthermore, the decisions of the Ethics Council to recommend a judge for appointment lacked justification. Conversely, the HQCJ's Selection Commission organised a highly transparent competition, resulting in doubts about the integrity of only two out of the 16 HQCJ members.</p> <p>2. The formula for forming the Ethics Council and Selection Commission, consisting of three Ukrainian judges and three international experts, proved effective only for the HQCJ Selection Commission.</p> <p>Among the three Ukrainian judges on the Ethics Council, two had serious integrity concerns. Unfortunately, the international experts on the Ethics Council stopped engaging with experienced civil society representatives who could assess Ukrainian judges effectively. Their limited knowledge of the local context potentially allowed Ukrainian judges to influence their decisions, resulting in the appointment of individuals with significant integrity issues to the HCJ.</p> <p>Conversely, the Selection Commission benefited from the inclusion of reputable Ukrainian judges, leading to a significantly more successful competition for the HQCJ. In conclusion, when judge selection commissions incorporate judges with questionable integrity, it severely impairs their effectiveness.</p> <p>3. The Public Council of International Experts (PCIE) yielded outstanding results when selecting judges for the High Anti-Corruption Court in 2018-2019, as it comprised solely of six international experts. Therefore, it's crucial to include international experts and civil society representatives experienced in checking Ukrainian judges' integrity in judge selection processes. The optimal approach is to involve both the PCIE and the newly established Public Integrity Council in judge selection, in line with the Venice Commission's 2020 recommendation.</p>
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4	<p>What are the next steps of judicial reform in Ukraine?</p>	<p>Ukraine has formally fulfilled two points of the European Commission regarding judicial reform.</p>	<ol style="list-style-type: none"> 1. It is necessary to conduct a transparent competition and form the Service of Disciplinary Inspectors (SDI). 2. It is necessary to renew the Supreme Court after the corruption scandal involving its ex-President Vsevolod Knyazev and not allow it to be captured by political authorities – conditionality is necessary. 3. The creation of a High Administrative Court to handle national-level administrative cases, in lieu of the liquidated DACK, is crucial. Conditionality is necessary. 4. It is necessary to reform legal education. 	<ol style="list-style-type: none"> 1. The Verkhovna Rada passed two draft laws: one reinstates the disciplinary role of the HCJ, and the other establishes a transparent competition for SDI positions, including the head and inspectors. This allows the resumption of disciplinary complaints against judges after a two-year hiatus. The competition for the SDI will be held by a commission involving international experts, which will work for 7 years, specifically to conduct two open and transparent selections, including the head of the SDI. Once SDI is established, the disciplinary function will be transferred from the HCJ to the SDI. 2. The corruption scandal involving former Supreme Court (SC) President Vsevolod Knyazev and the election of Judge Stanislav Kravchenko as the new President of the Supreme Court (SC) by 108 out of 148 SC judges highlights the urgent need for a comprehensive court renewal. <p>The 2017 SC reform attempt faced criticism and protests from civil society due to perceived flaws, lack of transparency, and manipulations in judge selection. About 25% of previously appointed judges received negative opinions from the Public Integrity Council (PIC), and 50% had information suggesting low integrity.</p> <p>Renewing the SC must involve vetting current judges and selecting new ones with the participation of international experts and civil society representatives. Vetting can rely on integrity declarations submitted annually by judges since 2016, with oversight by the HQCJ and disciplinary proceedings by the HCJ if concerns arise.</p> <p>Voluntary resignations by the SC judges, that will probably occur before the vetting, provide an opportunity to replace them with new decent judges. The involvement of the PCIE and the recently established PIC is crucial for selecting SC positions.</p> <p>Political authorities seek control over the SC instead of genuine reform. International partners should make a thorough SC renewal a conditionality for Ukraine.</p>
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				<p>3. The District Administrative Court of Kyiv (DACK) held jurisdiction over both local Kyiv municipal and national-level state authority cases, granting it significant political influence. Reestablishing a similar court with the same powers risks fostering corruption and instability in Ukraine's judiciary.</p> <p>Instead, the High Administrative Court of Ukraine (HACU) should be created to exclusively handle national-level cases. A separate Kyiv City District Administrative Court can address issues involving local Kyiv municipal authorities.</p> <p>The HACU can be selected according to a model similar to the High Anti-Corruption Court, with the selection of judges by the international experts being a crucial factor for reform success. International partners should make the establishment of the HACU a conditionality for Ukraine.</p> <p>4. Legal education reform is crucial for the overall justice system overhaul. The Unified State Qualification Exam (USQE) for law master's degree graduates, serving as a bar exam equivalent, should be retained to ensure independent and transparent assessment of future lawyers' knowledge and skills.</p> <p>Ensuring fair and equitable access to legal education is also a priority. The two distinct mechanisms for admission, one under the Ministry of Education and the other under the Ministry of Internal Affairs, should be streamlined. Lawyers should not be taught by the Ministry of Internal Affairs or its subsidiaries. Transparency issues and potential corruption risks in the latter system necessitate limitations on legal and law enforcement education, preventing crossover between the two.</p> <p>The scientific degree of junior bachelor and junior specialist should be abolished due to inadequate knowledge levels in "basement" universities. International partners should make legal education reform a conditionality for their support in Ukraine.</p>
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Additional literature / links to other materials for further reading

1. CCU and the Venice Commission: <https://www.euractiv.com/section/europe-s-east/opinion/ukraines-constitutional-court-reform-on-brink-of-catastrophe-and-the-venice-commission-is-to-blame>.
2. EU engagement and the Venice Commission: <https://www.eurointegration.com.ua/eng/articles/2022/12/8/7152120>.
3. Overall overview of the reform progress and challenges during wartime: <https://www.politico.eu/article/ukraine-volodymyr-zelenskyy-russia-war-rule-of-law-battlefield>.
4. Current developments around the CCU and EU's role: <https://www.eurointegration.com.ua/eng/articles/2023/04/24/7160397>.
5. Statement on proposed list of priority reforms: <https://ua.usembassy.gov/statement-on-proposed-list-of-priority-reforms/#:~:text=As%20President%20Biden%20said%20in,combat%20corruption%2C%20creating%20an%20environment>.

04. SEIZING AND FREEZING OF RUSSIAN ASSETS ABROAD

Institute of legislative ideas

High-level messages

I. Russia, as a state responsible for violation of international law, must compensate Ukraine for the damage inflicted before the war ends – this is the main objective

- Russia must pay in full for the physical and non-pecuniary damage caused to Ukraine. One of the main sources of such compensation should be the frozen Russian assets that are currently held by partner countries.
- Seizure of the assets of an aggressor that grossly violates international law constitutes a countermeasure justified by the law and morality.
- Compensation to Ukraine at the expense of frozen Russian assets should be made before the war ends.
- The path to compensation with Russian assets requires political resolve and support for the implementation of the Global Compensation Mechanism by G7 countries
- Such a political resolve should be manifested in the signing of an international agreement, which, among other things, will contain rules limiting sovereign immunity with respect to Russian state assets.

II. Ukraine should receive revenues from Russian assets frozen in Western countries for the current needs of recovery and defense as early as this year – this is a realistic interim task

- Moral argument. Since the proceeds from the frozen Russian assets are generated primarily as a result of the war, it is only fair and just that they be transferred to Ukraine, as a victim of this war, to cover its urgent needs;
- Legal argument. The transfer of proceeds is not a seizure of the assets themselves, so it does not require the adoption of a new international treaty under the Compensation Mechanism, as it does not violate immunities and does not directly affect the frozen Russian assets.
- Practical route. States should introduce special taxation regimes (for the proceeds from Russian assets) with increased rates, which should be as close to 100% as possible, with the possibility of covering administrative or other operating expenses of the states holding such assets.

In-depth messages

I. Russia, as a state responsible for violation of international law, must compensate Ukraine for the damage inflicted before the war ends – this is the main objective

1. All frozen assets should be retained until they are confiscated and transferred to the Compensation Fund.

- To implement this step, all Russian assets held abroad must remain frozen until full compensation for the damage caused by the aggression is provided;
- To ensure transparency, states should make information about frozen Russian assets publicly available;
- Frozen funds should be accumulated in a separate escrow account, managed by a reputable international financial organisation, such as the World Bank, in order to safeguard them and implement common approaches to the effective use of such assets for compensation.

2. Russian sovereign assets should be seized without delay before the war ends.

- Compensation is a type of reparation. However, as historical experience shows, reparations are usually reimbursed after the end of the war by the losing party to the winner on the basis of a peace treaty. In our circumstances (considering the position of Russia, the duration and nature of the conflict, the war setting, etc.), Ukraine is a defending country, and a peace treaty may never be signed.
- Given the change in the global paradigm, in particular the declaration of human rights as the highest value, the culprit who caused the damage must pay for it, and not the victim or innocent third parties. In this light, the idea of waiting for the war to end makes no sense.
- It is futile to assume that Russia will ever be willing to pay reparations voluntarily, so the widespread idea of keeping assets frozen until Russia compensates for all losses is untenable.
- Moreover, from a legal point of view, international law does not require the end of a war as a precondition for reparation.
- Therefore, the aggressor should compensate the damage as early as possible.

3. The legal basis for compensation already exists, but the implementation of this obligation must still be ensured by a political decision of the US, EU, UK and other G7 countries. This political decision should be secured by signing an international treaty establishing the International Compensation Fund.

- The compensation mechanism, as noted, consists of three components, of which only the first has begun to be implemented – namely, the Register of Damage. It is currently the most technically challenging stage, although politically the easiest. At the same time, without signing a treaty on the establishment of the Compensation Fund and determining how to fill it, the Register will remain a sad reminder of the atrocities committed by Russia.

- The International Agreement, among other things, should contain rules for limiting sovereign immunity with regard to Russian state assets and their confiscation for compensation as an appropriate countermeasure to the aggression and gross violation of international law (the concept of 'erga omnes' obligation). It would eliminate the legal risks that are currently of concern to the countries holding these assets.

4. Partner states should introduce national legislation that allows for the seizure and transfer of Russian assets to Ukraine.

- During the entire period of the full-scale war, just about \$1 billion of Russian assets, which is less than 0.3% of the total amount of damage, have been actually confiscated. Moreover, 99% of these assets were confiscated by Ukraine itself, which was the first to introduce the necessary legislative changes.
- So far, only Canada has passed a law that allows for the confiscation of both public and private Russian assets, but there have been no cases of its application. The United States and the United Kingdom have drafted bills that would establish the process of seizing Russian assets. Estonia and Poland have announced the creation of legal mechanisms for the recovery of private assets, but no official documents have been issued yet. National parliaments should amend their laws to allow for the seizure of sovereign assets of the aggressor state.

Factual background

The damage caused to Ukraine is currently estimated at \$411 billion. This does not include compensation to the injured individuals. Most of them have no chance of being reimbursed except at the expense of the aggressor state. After all, none of the economies of the partner countries, including Ukraine, can afford to finance Ukraine's recovery and compensate for the damage in full.

Therefore, the only provisionally sufficient source to cover these needs is the aggressor state's funds, in particular, the Russian assets frozen in Western jurisdictions. According to various estimates, the total amount of the frozen assets is between \$300 and \$500 billion. This amount includes state assets of the Central Bank of the Russian Federation and private assets of those who contribute to the aggression (Russian oligarchs, politicians, propagandists, etc.).

More information on the amount of frozen assets by country is available on the Compensation Tracker online platform.

Most of the assets are concentrated in the EU, amounting to €200 billion.

Currently, there are two dimensions within which these liabilities can be enforced: global and national. The global level is of utmost importance, and its implementation depends on the political will of the holders of such assets, including the US, EU, UK and others.

Such political will should be manifested in the full implementation of the Global Compensation Mechanism proposed by Ukraine, which will allow compensation for the damage caused by the aggression. It will include the establishment of a Register of Damages, a Fund and a Compensation Commission on the basis of an International Agreement. Russian assets are to become the main source to replenish the Compensation Fund, from which payments will be made.

So far, only the first step has been taken – the Register of Damage has been launched. The work on the Register is currently at an early stage. Ukraine's advocacy goal is to support the implementation of the remaining two steps, which would allow the Compensation Fund to be filled with frozen Russian state assets.

II. The proceeds from Russian assets and taxes levied at special rates should be used for compensation and defence as soon as possible.

The financial risks voiced by the EU banking sector cannot justify inaction, in particular because:

- The EU and other Western jurisdictions have already shown that the assets of countries that grossly violate international law by committing crimes of aggression, genocide, etc. will be blocked and are unlikely to be returned in the foreseeable future. Therefore, as of now, the EU has already crossed a line that indicates its unwillingness to attract 'blood money'.
- The risk of investment outflows from large Eastern countries such as China or African countries to other jurisdictions is also low. After all, there is no alternative to the West.
- The desire to use and profit from frozen Russian assets without transferring them to Ukraine defies the priority of human rights protection over economic gain.

Factual background

According to various estimates, the total amount of Russian assets frozen abroad is between \$300 and \$500 billion. This includes state assets of the Central Bank of the Russian Federation and private assets of those who contribute to the aggression (Russian oligarchs, politicians, propagandists, etc.). Most of the assets are concentrated in the EU (€200 billion).

For instance, Russian assets worth €196.6 billion have been frozen on the accounts of the international depository Euroclear, headquartered in Brussels. And this money continues to generate income.

The Euroclear's report indicates €1.74 billion received in the first half of 2023 from frozen Russian assets. For the whole of 2022, the figure was €821 million. Thus, one can infer that income from assets is increasing and may reach 3 billion at the end of the year. The point is to provide a special tax (windfall taxation) for the excessive profits gained by the companies because of the war. The money collected through this tax could be transferred to Ukraine for the purpose of damage compensation.

All of these revenues were generated as a result of the war launched by Russia and the sanctions imposed in response to it. Thus, it is only fair that the proceeds from frozen Russian assets should be directed to Ukraine. This could cover at least the financial need for "rapid" recovery (approximately \$3–5 billion per year). According to the Prime Minister of Ukraine, Denys Shmyhal, such needs currently amount to \$6.5 billion.

The idea of using proceeds from the management of frozen Russian assets is being discussed in the EU. Recently, the countries were close to endorsing it. But, unfortunately, financial institutions oppose this idea asserting that it may negatively affect the stability and attractiveness of the Eurozone as a reliable investment destination.

FAQ

#	Question	Trigger (what makes them ask this?)	Short non-expert answer	Extended answer with more details
1	Is it legal to confiscate Russian assets?	The measure is pictured illegally by some experts and the point is actively promoted by Russia	Yes. The axiom that the right of the aggressor should not prevail over the right of the victim must be respected. It means that Russia's right to inviolability of assets should not outweigh Ukraine's right to receive compensation for the damage caused by Russia.	<p>The transfer of the frozen Russian assets to Ukraine is permissible under the doctrine of "third-party countermeasures", which permits actions that would otherwise violate international law, provided that such actions are taken to induce another state to restore compliance with international law. The transfer of Russian sovereign assets should be considered a permissible countermeasure for several reasons. Firstly, Russia is in flagrant and blatant violation of international law, which is beyond any doubt. Secondly, this measure is proportionate, not unreasonable and even much more targeted than the sanctions that have been imposed so far. Third, it satisfies the requirement of reversibility: the transfer acts as a temporary and limited suspension of normal legal relations between Russia and other countries.</p> <p>The obligation to compensate for the damage is provided for in Article 31 of the Articles on the Responsibility of States for Internationally Wrongful Acts and was recognized (with regard to Russia) by the UN General Assembly in its Resolution A/RES/ES-11/5 'Furtherance of remedy and reparation for aggression against Ukraine'. The question now is how to implement it. This requires supplementing international law with a missing part. This missing part of international law is a multilateral international agreement that would establish a procedure for seizing such assets, overcoming sovereign immunities and transferring these assets to the Compensation Fund.</p>

2	<p>What legal obstacles keep countries from confiscating Russian assets?</p>	<p>A widespread thesis that such a transfer would be unlawful due to numerous 'legal concerns'.</p>	<p>Not that much legal, but rather political reasons prevent confiscation.</p>	<p>One of the 'legal obstacles' often invoked by the opponents of confiscation is a doctrine of sovereign immunity. Yet From a legal standpoint there are cogent reasons that prevent Russia from enjoying immunity in this case.</p> <p>First and foremost, sovereign immunity is a doctrine that shields sovereign entities from liability in <i>judicial</i> proceedings. It does not apply to measures taken by government or parliament of another state. Thus, if Russian assets are confiscated by a decree of government or an act of parliament, immunity does not apply.</p> <p>Secondly, the doctrine of 'counter-measures' justifies actions against Russia. Countermeasure is an action that would otherwise violate international law by one state taken with the aim of inducing another state to resume compliance with international law. The transfer of Russia's sovereign assets (deposited in Western countries) to Ukraine represents one such valid countermeasure.</p> <p>The concept of countermeasures is enshrined in Ch II of the Articles on Responsibility of States for Internationally Wrongful Acts.</p> <p>However international law lacks workable enforcement mechanisms and that is why much political will is needed to make an international actor (like Russia) adhere to it. In other words, legal solution has to be backed by politics, because that's how international law operates.</p>
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<p>3</p>	<p>Does asset transfers threaten the financial stability and reliability of the Euro?</p>	<p>Concerns raised by the banking sector in the media.</p>	<p>No, in fact, these threats are now a thing of the past, as the market has adapted to them.</p>	<p>In essence, this argument boils down to the fact that many countries keep their national reserves in euros. And if the income from Russian assets held in Europe were transferred to Ukraine, it would set a precedent that would force investor countries to reassess the reliability of the euro. Similar arguments about the possible weakening of the US dollar are being made across the Atlantic. However, experts emphasise that the risks are overestimated. In short, the 'Rubicon has already been crossed' when financial institutions froze Russian sovereign assets. And further measures against such assets will not create an effect greater than that already existing in the financial markets. In addition, Russia, planning a full-scale invasion, has already reassessed the political risks associated with dollar deposits and tried to diversify its portfolio by investing in gold and other currencies, but this has not had a significant impact on the dollar's position in the world. Also, in order to break with the two major world currencies, you need to have comparable alternatives. And there are none. The Chinese Yuan is a candidate for this role, but holding reserves in the currency of a country that does not uphold the rule of law is likely to pose political risks that are even greater than those associated with the current situation.</p>
<p>4</p>	<p>If Russian assets are transferred to Ukraine, is there a risk of embezzlement?</p>	<p>Widespread narrative about Ukraine as a totally corrupt country.</p>	<p>No, Ukraine will be only one of the managers of the funds.</p>	<p>The funds should be directed to a Compensation Fund, which will be managed not only by Ukraine, but also by representatives of other participating countries. This would eliminate risk related to corruption inside of the country.</p>

5	What is the Compensation Fund?	Many foreign partners and media do not know what it is	It is the Fund established by a multilateral treaty that would provide compensation to the victims of the war in Ukraine	<p>Global Compensation Mechanism proposed by Ukraine will allow compensation for the damage caused by the aggression. It will include the establishment of the Register of Damages, the Fund and a Compensation Commission, all established on the basis of a multilateral agreement. Russian assets are to become the main source to replenish the Compensation Fund, from which payments will be made.</p> <p>So far, only the first step has been taken – the Register of Damage has been launched. On the Summit in Reykjavik (May 2023), it has announced the establishment of the Register of Damage Caused by the Aggression of the Russian Federation Against Ukraine. The work on the Register is currently at an early stage. Ukraine's advocacy goal is to support the implementation of the remaining two steps, which would allow the Compensation Fund to be filled with frozen Russian state assets.</p>
6	What has Ukraine done so far in the confiscation domain?	Ukraine, while demanding actions from others, should do its own 'homework' first.	Ukraine has already implemented a special mechanism for confiscation of both public and private assets.	So far, under a special mechanism for confiscating the property of the aggressor state, Ukraine managed to receive more than \$0.5 billion through the confiscation of assets of 2 Russian banks. As for the private assets of the aggressor's accomplices, the High Anti-Corruption Court (HACC) has issued 29 rulings (as of October 2023) on the forfeiture of assets owned by the war supporters. It is not only Ukraine that has the right to apply countermeasures to the aggressor state in the form of confiscation. Partner states too have legal basis for similar measures.

Additional literature / links to other materials for further reading

1. Confiscation tracker: <https://confiscation.com.ua>.
2. The legal, moral and practical case for transferring Russian sovereign assets to Ukraine <https://rdi.org/articles/making-putin-pay>.
3. A proposal for ensuring reparations for Ukraine: <https://newlinesinstitute.org/rules-based-international-order/multilateral-asset-transfer-a-proposal-for-ensuring-reparations-for-ukraine>.
4. The analysis of the High Anticorruption Court (HAC) practice on sanctions (confiscation): <https://izi.institute/research/analiz-praktyky-vyshhogo-antykorpucziynogo-sudu-shhodo-zastosuvannya-sankcziyi-u-vydi-styagnennya-aktyviv-v-dohid-derzhavy>.
5. Overview of the state of play of sanction circumvention: <https://izi.institute/research/oglyad-stanu-prytyagnennya-do-vidpovidalnosti-za-obhid-sankcziy-suchasnyj-stan-ta-perspektyvy>.
6. 4 methods on how Russian assets can serve as compensation for damage inflicted during the war with Ukraine: <https://izi.institute/research/chotyry-sposoby-yak-rosijski-groshi-mozhut-posluzhyty-vidshkoduвання-shkody-zavdanoyi-vijnoyu>.
7. Privat assets confiscation: <https://izi.institute/research/forfeiture-of-assets-belonging-to-persons-responsible-for-russias-aggression-against-ukraine>.
8. Overview of HAC decisions: <https://izi.institute/research/korotkyj-oglyad-rishen-vaks-shhodo-konfiskacziyi-aktyviv-rosijskyh-rektoriv>.
9. Overview of in absentia cases: <https://izi.institute/research/standarty-rozglyadu-sprav-in-absentia-i-praktyka-vaks-shhodo-styagnennya-aktyviv-pidsankcziynyh-osib-u-dohid-derzhavy>.

05. THE CONFISCATION OF RUSSIAN ASSETS IN UKRAINE

StateWatch

High-level messages

1. Due to Ukraine's historical and economic background, Russian oligarchs own numerous private assets in the country. The majority of these businessmen, including Deripaska, Rotenberg, Kovalchuk and others, support the full-scale invasion, produce goods for Russian military weapons, or demonstrate loyalty to Kremlin policies.
2. A register of assets of Russian oligarchs in Ukraine has been launched by Ukraine's civil society¹. There are already 53 oligarchs on the list. Among them are tycoons from the list of the "200 richest businessmen" for 2021 by Forbes Russia and citizens of Russia under Ukrainian sanctions. Together, they own 112 companies in Ukraine with a total value of \$167 mln².
3. Their Ukrainian businesses, until recently, continued to generate income and resources for the Russian army.
- 4. Therefore, the Kremlin's full-scale aggression prompted the Ukrainian government to introduce legislation allowing for the confiscation of the assets of Putin's accomplices by the state in order to rebuild the country.**

In-depth messages

1. The key approach to confiscating Russian private assets is through administrative proceedings in the High Anti-Corruption Court. A new law on sanctions related to the assets of individuals or companies supporting the Russian invasion has been introduced, which the Ukrainian parliament adopted on May 12, 2022. According to the law, the Ministry of Justice contacts state institutions to identify and search for assets of persons or companies that have already been sanctioned to freeze assets by the National Security and Defense Council of Ukraine since May 2022. Then, the Ministry of Justice brings a lawsuit in the High Anti-Corruption Court against the sanctioned Russian individuals or companies and proves that the assets on the territory of Ukraine belong to this particular one person, and that he/she is associated with the Kremlin regime and Russian aggression in Ukraine.
2. An asset can be confiscated only by a court decision, based on the presentation of satisfactory evidence. If not, the court can dismiss the claim of the Ministry of Justice. It is only applicable during the current period of martial law. If a person or entity was sanctioned during martial law and the Ministry of Justice filed a lawsuit during the same period the confiscation has to be realized even after martial law is ended.

¹ StateWatch think tank within the investigative project Trap Aggressor

² The official nominal value of the companies from the state enterprise register of Ukraine.

3. This mechanism has already brought the first results. Over the last year, the Ministry of Justice has filed 28 lawsuits against Russian oligarchs, university rectors, members of the Duma, the Russian parliament, and ex-president of Ukraine Victor Yanukovich with the High Anti-Corruption Court.
4. Some assets have already been **transferred** to the State Property Fund to be put up for privatization or leased. The funds obtained after privatization would be allocated to the state budget for the restoration of Ukraine. Basically, with the current number of confiscated assets, you can find on the special register of confiscated assets of sanctioned persons <https://sanlist.spfu.gov.ua/>

FAQ

#	Question	Trigger (what makes them ask this?)	Short non-expert answer	Extended answer with more details
1	How do martial law decisions apply to the right to private property?	Whether such practice is democratic at all and whether these court decisions will be intact even after the war.	The key approach to confiscating Russian private assets is through administrative proceedings in the High Anti-Corruption Court.	<p>An asset can be confiscated only by a court decision, based on the presentation of satisfactory evidence. If such evidence is not forthcoming, the court can dismiss the Ministry of Justice's claim.</p> <p>Generally, the case of confiscation is discussed in both court instances that help sanctioned persons to prepare their protection with lawyers.</p> <p>This mechanism of confiscation exists only by the end of martial law.</p>
2	How successful is Ukraine with its own confiscation?	The trigger here is that we push the international community to seize and freeze but don't have too many results to demonstrate ourselves.	This mechanism has already produced results. Over the last year, the Ministry of Justice has filed 28 lawsuits at the High Anti-Corruption Court against Russian oligarchs, university rectors, members of the Duma (the Russian parliament), and former Ukrainian President Victor Yanukovich.	<p>One of the significant claims by the Ministry of Justice was made against well-known Russian oligarch and friend of Putin, Arkadii Rotenberg. The major part of the corporate rights of Ocean Plaza, a shopping and entertainment centre in Kyiv – which was until recently under control of the Rotenberg family – was confiscated. The assets of the Rotenberg family in Ukraine are estimated by the Security Service of Ukraine to total \$300 million.</p> <p>Other Russian tycoons whose assets were confiscated are Oleg Deripaska, Mikhail Shelkov, Vladimir Yevtushenkov, and others. One of the richest oligarchs Mikhail Fridman lost Alfabank in Ukraine after nationalization by the Ukrainian parliament.</p>

Additional literature / links to other materials for further reading

1. Confiscating Russian Oligarchs' Assets in Ukraine: The First Successes <https://www.rusi.org/explore-our-research/publications/commentary/confiscating-russian-oligarchs-assets-ukraine-first-successes>.
2. Rotenberg's Ocean Plaza. How the asset was confiscated and why it is important: <https://zn.ua/eng/rotenbergs-ocean-plaza-how-the-asset-was-confiscated-and-why-it-is-important-.html>.
3. Special register of confiscated assets of sanctioned persons: <https://sanlist.spfu.gov.ua>.
4. State Property Fund: <https://www.spfu.gov.ua/en/news/9910.html>.
5. Register of assets of Russian oligarchs in Ukraine: <https://trap.org.ua>.

06. ECONOMIC SITUATION AND FINANCING GAP

Institute of economic research and policy consulting

High-level messages

1. Ukrainian government remained operational during the entire period of the full-scale war: fast decisions at the beginning, more thorough decisions after, and the reform path is still on.
2. Ukrainian business adapted to new challenges and continues operations. Most of the companies on the territory controlled by Ukraine mostly most recovered their operation (if their premises were not destroyed)
3. Many Ukrainians became IDPs (more than 4 m persons), many went abroad (about 6 m persons). Those abroad are a challenge for the recovery (as many are women with children): therefore there is a need to develop and implement special programs for them in the EU to increase skills needed in Ukraine after they return home.
4. Real GDP in the 2nd quarter increased by 19.5% year on year (yoy) compared to the 2nd Q of 2022. However, this just reflects the resilience and adaptation of business and population: the real GDP is still more than 24% lower than in 2021. Hence, the economic situation remains dire. **More help is required for businesses. E.g the war-related risk insurance is required not only for international companies, but for Ukrainian ones as well.**
5. Ukraine has received a 4-years IMF program: but the IMF allocations within the program equal exactly what Ukraine should pay IMF on debt during following four years - both redemption and interest. **Therefore, more financing is required.**
6. The envisaged USD 100 bn support package announced in the IMF program is not guaranteed. Moreover, this amount envisages debt restructuring, which is still to be negotiated. **The support of the IMF and other official partners are needed for the negotiations with private debt holders on the restructuring as well as more clarity needed for the assistance during the coming years.**
7. Financing received so far by Ukraine from international partners is primarily for keeping afloat (supporting Ukraine's resilience) and not for the recovery and reconstruction. **More financing is required for the recovery and reconstruction. In parallel, Ukraine's Government financial assistance absorption capacity has to be significantly boosted to be able to effectively make use of the aid provided. This especially applies to local government entities.**
8. No financing is in fact guaranteed so far for 2024 and beyond. The EU is still to approve the EUR 50 bn Ukraine facility, the biggest part of which (about EUR 39 bn) is again for supporting Ukraine's resilience (supporting the state apparatus, social payments etc). The program is for 4 years, which does not provide Ukraine with sufficient financing.

9. The financing guaranteed by the US is ending now. **Ukraine needs more financing for 2024 and beyond to keep up its resilience: to keep wages at the same level, provide public services and pay social assistance. Grants are more preferable than loans. When loans are provided / offered, the preferential modality should be concessional: long maturities (about 30 years), low or zero interest rate.**

In-depth messages

1. The economy of Ukraine is resilient, but still very fragile. Therefore, more support to businesses is needed: it could be financing of small grants / concessional lending, war-related risk insurance, etc. More support to the energy sector is required taking into account the expected russian drone and missile attacks on the energy infrastructure over the autumn and winter season.

Ukrainian economy remains fragile. Real GDP growth at 19.5% yoy in the 2nd quarter of 2023 indicates the jump from the very low level of the 2022. Real GDP remained by more than 24% lower than in 2021. Ukrainian business still faces many challenges to operate. According to the IER survey the biggest challenges are the problems with logistics, high input prices, lack of working capital. Over the past year, the lack of qualified labour has further exacerbated the challenges in the economic domain.

In logistics the largest problem are the by russia blocked seaports of Odesa and Mykolayiv as well as permanent drone and missile attacks on Danube river ports. Seaports were a traditional export route for grain as well as for metallurgical products. From August 2022 to early July 2023 the Grain Initiative was operational, which partially allowed the exports of grain from three big Odesa seaports. It was only partially operational as russia inspections permanently sabotaged the exports. Now, when russia unilaterally pulled out of the Grain initiative – the seaports remain almost entirely blocked. In the conditions when seaports are blocked by russia, then grain competes with other products (including metallurgical and iron ore) on the freight railway and road transportation. The queues on the borders for both types of transportation are very long. Unfortunately, Ukraine's neighboring countries did not invest into broadening of their logistical capacities on their territories thus, contributing to bottlenecks on freight transportation. Moreover, some have blocked unilaterally imports of Ukrainian grain and some other agricultural products, which contradicts the EU customs rules.

2. Ukraine's financial needs remain enormous: more than USD 40 bn only in 2024. There is not much guaranteed financing. The EU is still to approve the 4-years EUR 50 bn Ukraine facility, from which budget support is expected at EUR 39 bn for 4 years, while only in 2023 Ukraine is to receive about EUR 18.8 bn of budget support. The US provided Ukraine with about USD 10 bn of grants in 2023, but no guaranteed assistance for October 2023 and beyond. If financing is not coming, then the Government will either lack financing for wages and social payments, including pensions, or the NBU will start direct monetization of deficit, which would hamper fragile macroeconomic stability reached so far. (direct monetization means that the NBU will finance the deficit directly and, this, based on evidence, leads to high inflation, rapid hryvnia depreciation, and GDP decline*). To finance its priority spending Ukraine needs over USD 40 bn in 2024. While Ukraine should finance defence and security spending from its own domestic sources (taxes, domestic borrowings, etc.), other spending like**

wages and social payments, education and healthcare, have been mostly financed from international assistance, predominantly the EU and the US. The EU provides Ukraine with concessional loans, while the US provides grants. Grants are more beneficial for Ukraine as it does not increase its debt and, thus, in the future will not require redemption and interest payments, which will allow to allocate more financing for recovery and reconstruction.

3. The Ukraine facility of the EU at EUR 50 bn for 4 years is still to be approved. It is not sufficient to cover financing needs. Part of financing will be provided in the modality of investment guarantees. It is important to advocate **that war-related risk insurance covers not only EU companies, but also Ukrainian ones.**

4. **Ukraine continues the path of reforms: in some areas more than in others, but it still follows the path towards EU membership. Most financing will be provided on the basis of the fulfillment of conditionalities: they should be realistic and envisage some flexibility taking into account the Russia's ongoing war against Ukraine.** Ukraine currently has 7 actions to be fulfilled to start negotiations for the EU membership. Structural benchmarks are envisaged in the IMF program, and more conditionalities are defined in the macrofinancial assistance program of the EU. These conditionalities include actions in the fiscal area, corporate rights on SOEs, energy sector, judicial reform, etc. The US provided money so far on specific financing items (e.g. social payments and healthcare financing, etc.) without strict conditionalities. However, all further assistance from the US will also be provided upon certain conditionalities. They include judicial reform, law enforcement agencies reform, transparent oversight over the defense sector expenditure, state owned enterprises reform etc.

FAQ

#	Question	Trigger (what makes them ask this?)	Short non-expert answer	Extended answer with more details
1	Has the Ukrainian economy recovered?	Ukrstat reported real GDP growth at 19.5% yoy in the 2 nd quarter of 2023	Not really. This is just a bounce-back from a really low base of 2022. Real GDP is by more than 24% lower than in 2021.	<p>We can rather speak of some type of stabilization but not recovery.</p> <p>In fact, this is just a bounce-back from a really low base of 2022. Real GDP is by more than 24% lower than in 2021.</p> <p>Business still faces many challenges including difficult and expensive logistics, high input prices, permanent risk of drone and missile attacks, lack of qualified labour.</p> <p>In fact, the situation is fragile on the eve of the expected Russian attacks on energy infrastructure in the autumn-winter season.</p>
2	Do the EU and the US provide sufficient financing for Ukraine?	Discussions on the billions of support	No, the financial gap is still high. There is still no guaranteed financing for 2024 and beyond.	<p>If fact, the international support covers half of the government spending. These are financing for social payments, wages, education and healthcare.</p> <p>Defence and security is fully financed by domestic sources of Ukraine: taxes and domestic borrowings.</p> <p>International military support is not reported in the financial support of respective countries as these are different articles in their budgets.</p> <p>However, as the data of Kiel Institute shows, the financing from other countries is not high if compared to their GDP. Almost no country has a total commitment of assistance to Ukraine (military, financial and humanitarian) that would be above 1% of GDP.</p>
3	Do the EU and the US provide financing for recovery?	international media speculates often that the international community is already offering a lot of recovery assistance to Ukraine	No really. Most financial assistance goes for re-current expenditures for financing Ukraine's state institutions' resilience.	<p>In fact, the EU and the US finance social payments, health-care, education, wages, etc.</p> <p>There are some smaller scale programs financed by the EIB, the World Bank and some other donors, which finance the recovery and reconstruction projects, but their scope is rather limited.</p>

<p>4</p>	<p>Recovery will start only after the war.</p>	<p>A widespread thought across many international partners</p>	<p>The emergency recovery is already going on. These are often emergency projects as well as financing of recovery and reconstruction of social and critical infrastructure.</p>	<p>The reconstruction and recovery is already going on as many projects cannot wait until the end of the war.</p> <p>One of the projects is a large many kilometers water pipeline needed after russia destroyed Kakhovka dam, as otherwise people in several cities would not have access to water.</p> <p>Another big recovery project relates to energy infrastructure: it was heavily damaged by russia in autumn and winter last year. As a result, to keep economy resilient the Government with international partners invested money into the restoration of the energy infrastructure. More is still needed.</p> <p>Ukraine liberated some territories and the reconstruction is already going on there so that people can return home.</p> <p>Drone and missile attacks resulted in damages in many cities and towns, which are far from the frontline. The critical and social infrastructure is then also recovered.</p> <p>In 2023 most of the financing is provided through Ukraine's budget program of the Fund of Liquidation of Consequences of the War – the program is financed at the expense of 50% of NBU profit and russian assets confiscated by Ukraine.</p>
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5	What structural changes (or reforms) have to be made to improve Ukraine's absorption capacity of financial assistance?	UA absorption capacity has been traditionally very low	Yes, the absorption capacity was low, but in last five years it has started increasing due to improvements in the institutional settings.	<p>The absorption capacity indeed should be increased. But it should be also recognised that it has increased during recent 5 years. In particular it relates to IFI financed infrastructural projects, largely resulting from changes in procedures.</p> <p>Still, bureaucracy and sometimes corruption or conflict of interest are among reasons named behind low absorption.</p> <p>Besides, there is a lack of knowledge of project management on national and local levels.</p> <p>At local level, there is a lack of personnel with sufficient knowledge of English, fundraising skills, etc.</p> <p>At the same time, there are problems also on the donors' side. Sometimes, priorities of donors do not match priorities of the Ukrainian stakeholders. Besides, donors do not always take into account local peculiarities and rely on international experts only without the understanding local content. Moreover, there is a need for better donors' coordination.</p>
6	Why should international business invest in Ukraine?	A war-affected country offers little prospects for financial benefit	As a future EU member with a skilled workforce, large mineral deposits, geographical location, and industrial potential Ukraine can offer the first comers who invest in Ukraine now prospects of better market standing compared with those who enter the market after the war / reconstruction.	Today Ukraine presents opportunities for businesses to participate in a win-win lottery in a European country. This is ensured by a skilled workforce, large mineral deposits, geographical location, and industrial potential against the backdrop of the country's need to ensure its sustainability, development, and recovery. At the same time, companies that enter the market now and occupy niches that exist in numerous sectors of the Ukrainian economy are likely to win the most. To this end, the government, with the help of international partners and the support and watchful eye of an active civil society, is already implementing important reforms to improve the investment climate and ensure the protection of property rights in Ukraine.

<p>7</p>	<p>Are war risk insurances a promising tool both for UA and international businesses?</p>	<p>War risk insurances are often cited as a possible way to attract investment</p>	<p>The only possible avenue seems to be seeking stable guarantees from reliable international partners, such as the EU and the G7 countries, through the creation of a special guarantee fund. Such an insurance system should cover exclusively military risks (loss or damage to property and goods, life under occupation, damage to life and health). It should be equally accessible to Ukrainian and foreign investors.</p>	<p><i>Military risks</i> are now at the forefront. Israel's approach, where the state covers losses caused by hostile actions or by its own defense forces, is not suitable for Ukraine, at least because of the large difference in country risk (Fitch's A+ credit rating for Israel versus CC for Ukraine). Guarantees from the Ukrainian government are insufficient to inspire foreign investors' confidence. Single cases of guarantees from some states (Germany) or institutions (MIGA, DFC) are difficult to scale up to the required level. Since the risk is incalculable and cannot be reinsured, private markets are also not a realistic alternative. Therefore, the only possible avenue seems to be seeking stable guarantees from reliable international partners, such as the EU and G7 countries, through the creation of a special guarantee fund. Such an insurance system should cover exclusively military risks (loss or damage to property and goods, life under occupation, damage to life and health). It should be equally accessible to Ukrainian and foreign investors, large and small businesses, and be based not on a single state insurer but on an extensive system of private insurance and reinsurance businesses both in Ukraine and abroad.</p>
<p>8</p>	<p>Can Ukraine offer any attractive investment projects, including reconstruction projects?</p>	<p>Ukraine does not have any bankable projects</p>	<p>Many international companies already work in Ukraine. The EBA with Ukraineinvest have already prepared a number of project proposals for investments. There are other opportunities as well.</p>	<p>Ukraine was and is open for entrance of international companies. ACC and EBA are two biggest business associations respectively for the US and the EU businesses. They are successful, and the recent surveys show that most of their members continue working at a large scale in Ukraine even during the full-scale invasion.</p> <p>They have also developed ideas for more investment opportunities in Ukraine, and prepare projects which require more financing.</p> <p>UkraineInvest is ready to provide assistance to new investors presenting some of the investment ideas as well. There is also state support to new investment projects, which, e.g. envisage temporarily tax exemptions.</p>

Additional literature / links to other materials for further reading

1. Regular Monthly Economic Monitoring of Ukraine, by IER: http://www.ier.com.ua/en/publications/regular_products/monthly_economic_monitoring?
2. IMF program: https://mof.gov.ua/storage/files/LoI_MEFP_Ukraine_2023-06-19_.pdf.
3. EU MOU: <https://mof.gov.ua/storage/files/%D0%9C%D0%95%D0%9C%D0%9E%20%D0%9C%D0%A4%D0%94-9.pdf>.
4. Ukraine Facility: <https://www.me.gov.ua/?lang=uk-UA>, https://neighbourhood-enlargement.ec.europa.eu/european-neighbourhood-policy/countries-region/ukraine_en.
5. Map of investment projects: <https://investmentmap.com.ua>.
6. Information for investments and contact point and UkraineInvest: <https://ukraineinvest.gov.ua/en/response-to-war>.
7. RISE essay collection: p. 39–42 on economics and investments <https://www.rise.org.ua/blog-ua/success-is-the-only-option-u-londoni-prezentuvali-kolekciyu-eseyiv-vid-koaliciyi-rise-ukraine>.

07. GREEN RECONSTRUCTION OF UKRAINE

EcoAction, ReThink

High-level messages

1. Ukraine's reconstruction should enhance decarbonisation and transition to a green economy in line with the EU Green Deal.

The priorities of the European Green Deal, including modernisation and decarbonisation of the economy, clean industrial production, biodiversity conservation and transition to sustainable agricultural practices, should be key tasks in Ukraine's recovery. Reconstruction programmes should be designed to encourage prioritising the long-term, lifetime efficiency of green technology and project investments over generally higher initial investment costs. In order to make this possible, affordable financing for municipalities, homeowners, SMEs and other stakeholders should become available as early as possible.

2. Decentralisation and decarbonisation of the energy sector are key to modernise, strengthen system resilience and security.

In order to support a green recovery of the energy sector, Ukrainian energy policy and international support should focus on four pillars: decarbonisation, energy efficiency, diversification of energy supply sources and further deeper integration with the EU energy system. These four components are important not only in achieving climate neutrality, but also in ensuring energy security and sustainability in the long term. Energy efficiency should be prioritised as a cross-cutting component in reconstruction and modernisation in all sectors of the economy.

3. Recovery efforts have to take into consideration the need to restore and preserve Ukraine's ecosystems and natural resources

Green reconstruction of Ukraine and achieving climate neutrality of the economy can only happen if restoration of damaged ecosystem services is ensured, and the EU standards on environmental control are followed. Returning life to the previously occupied territories means not only physical rebuilding of infrastructure but also providing people and nature with basic natural resources to flourish on: clean water, air and healthy soil. That's why it's important to monitor and analyse state of the environment during the war, as well as to develop and implement programmes for the restoration of forest, water and soil resources.

4. Urban planning should mainly focus on people and their needs while public spaces should be safe, accessible, and comfortable for everyone.

Cities in Ukraine face severe challenges such as displacement of communities, damaged infrastructure and built environment, and reduced access to essential services. Sustainable urban planning can help address these challenges in the long run by developing modern resilient infrastructures.

5. Circular design should be a key tool when reconstructing damaged communities and planning new constructions.

Given the enormous amounts of debris, future demand for materials and planetary boundaries we all live in, circularity should be a key priority from both dimensions - a) upcycling, reusing and repurposing as much of discarded materials as possible, while maximizing their value; b) designing new buildings and neighborhoods with lowest possible environmental impact for entire lifecycle.

6. Green and circular Ukraine could significantly contribute to decarbonizing EU's supply chains through shortening them.

EU's outsourcing of manufacturing of everything from textiles to electronics to Asian countries becomes a challenge when implementing truly green practices for the continent. Especially, when some of those countries are being governed by authoritarian regimes and start to use their economic growth as a weapon or threat to democratic world. Ukraine could provide a sustainable and competitive manufacturing ground for the EU after the war.

7. Development of a sustainable and resilient agriculture system in Ukraine is key to ensure food and environmental security of the country.

Today, the system, which is based on large-scale and monoculture production and centralised logistics and processing, becomes a target for the enemy. This immediately imbalances the entire system and causes respective systemic consequences for supply chains both in Ukraine and globally. In its reconstruction and recovery, Ukraine and the international community should prioritise the development and maintenance of more adaptive (flexible) and sustainable agri-food systems supporting rural development and introduction of circular economy principles.

In-depth messages

Green economy

To support transition of Ukraine's economy toward climate neutrality, we suggest international community to draw attention to the following:

1. Ukraine should be included in European value chains of renewable energy / energy efficiency materials and equipment production, other clean technologies, while ensuring both domestic (Ukrainian) and export potentials are developed.
2. Ukraine's own building materials sector **could provide** up to 90% of construction materials needed to rebuild residential, non-residential and infrastructure sites destroyed by russia. Through systemic policy development in line with the EU Green Deal, capacity-building, quality control and financial support, Ukraine's construction sector could modernise and provide thousands of green jobs for decades to come.
3. Green reconstruction in Ukraine's industrial sector requires a strong commitment, financial assistance at a large scale and a strategic decision of the government and donors to turn Ukraine into a showcase of new technologies. If such a decision is taken, this could become a blueprint for other carbon-intensive transitions and other

developing economies. However, this can only be done if compliance with the EU environmental standards is mandatory.

Energy sector

To support decarbonisation and decentralisation of Ukraine's energy sector, the international community could take the following steps:

1. "Greening" of the emergency energy aid as a first step to build back better. Ukraine's critical social infrastructure – hospitals, schools, kindergartens, water and wastewater treatment plants, city/town councils – could be operating with support of renewable energy technologies (solar systems, battery storages, heat pumps).
2. Create capacity-building programme(s) for Ukrainian municipalities in the field of renewable energy and energy efficiency that could be linked to financial support instruments.
3. Support establishment of low-interest loan programmes for Ukrainian municipalities to implement green (energy) projects. Explore different financing models for renewables, such as loans in Ukrainian currency, equipment rental, leasing, and co-financing.
4. Prioritise energy efficiency as a cross-cutting component in the rehabilitation of not only housing stock, but also public buildings. International community should keep providing support through the Energy Efficiency Fund and work on other financial mechanisms to ensure energy efficient reconstruction of buildings. First pilot projects showcasing implementation of near-zero energy build standard (NZEB) could also be considered.

Restoring the environment

Considering the large scale of direct and indirect environmental damage resulting from russia's full-scale invasion, the international community could support Ukraine in the following:

1. Ensuring that an environmental assessment of the damage and corresponding risks related to water quality, soil, and air quality is conducted in both the short-term and long-term for Ukraine and other affected countries. This could include support of local capacity development to conduct such environmental damage assessments.
2. Mainstreaming environmental protection in the design of partner countries' plans, strategies and programmes for the reconstruction of Ukraine. For example, Ukraine could be supported in planning for restoration of natural areas affected by hostilities.
3. Helping to design a system of resource allocation to address environmental justice for Ukraine and ensure the sustainable recovery and restoration of the affected areas. The costs related to damage to Ukraine's environment from the war should be borne by russia. Ukraine should receive an economic compensation for the damage covering various aspects, including clean-up and restoration efforts, conservation initiatives, reforestation projects, activities aimed at rehabilitating damaged ecosystems, and the restoration of water bodies.

4. Considering that rebuilding of Ukraine should occur hand-in-hand with the improvement and further development of environmental legislation.

Urban development

To support sustainable development and green reconstruction of Ukrainian cities, the international community could take the following steps:

1. Plan special programmes for cities most affected by the Russian aggression: such cities could make a greater use of green financing instruments offered by donors. Therefore, sustainable urban reconstruction should be in the heart of such programmes.
2. Ensure that criteria for allocating funding for restoration of municipal infrastructure are in line with transition to new clean energy efficient technologies and sustainable development of the community as a whole. Such approaches should be applied to the construction of new water treatment plants, sewage facilities (collectors), repair and laying of new heat and water supply networks.
3. Support transition of Ukrainian cities and communities to renewable energy sources in heat supply, while helping preserve and modernise the municipal district heating systems.
4. Promote the use of nature-based solutions in planning and reconstruction of cities, infrastructure, agriculture, and forestry. Such solutions not only solve issues, but also help improve the environment, increase the number of ecosystems, and enhance community and ecosystem resilience to climate change.

Agriculture

To support a more sustainable development and transformation of Ukraine's highly important agriculture sector, we suggest to draw attention to the following:

1. Ukrainian agricultural enterprises and farms can become full-cycle enterprises with zero-waste and renewable production, which includes full processing of residues, use of environmentally friendly innovative technologies, and efficient use of soils depending on their quality characteristics and purpose. This requires development of special support programmes and capacity-building.
2. Sustainable and climate-friendly solutions, namely prioritising agri-environmental practices, should be developed and supported, including: further development of organic farming in Ukraine; precision farming and use of crop rotations and biologically diverse multicultural approach in crop production; small-scale animal husbandry with high standards of animal welfare; and application of technologies and practices to reduce greenhouse gas emissions; reduction and processing of agricultural and food waste.
3. Ukraine needs a holistic strategy to encourage small landowners – from start-up funding for young farmers to infrastructure development that would make it easier for small producers to gain equal access to the agricultural land market.

- Ukraine needs to develop and implement a National Rural Development Strategy. To solve socio-economic issues and environmental challenges in rural areas, alternative opportunities are needed in terms of employment, business, cooperation, and successful existence of rural communities in general.

FAQ

#	Question	Trigger (what makes them ask this?)	Short non-expert answer	Extended answer with more details
1	Hydrogen logistics is questionable and (some say) dangerous. How do you intend to solve this issue when talking about Ukraine as a green hydrogen hub for the EU?	The old pipe network is not reliable enough to transport Hydrogen	We truly believe Ukraine and the EU have enormous potential in cooperating on green energy solutions. Be it batteries, hydrogen, classic renewables, distributed smart grids, etc. We strongly believe that Ukraine and the EU will jointly make all the necessary validations, calculations, and checks before producing & transporting Ukraine's green hydrogen to the EU.	Well, we're still waiting for solid confirmation of the safety and profitability of the use of hydrogen by Western countries in the near future. That's fundamental. In addition, we doubt Ukraine's ability to quickly carry out all the necessary validations on its own right now. We have to do it together with the EU. After all, we would prefer to see the implementation of hydrogen in Ukraine's energy balance first. Certainly, after the end of the war. And in case it will make economic & environmental sense after calculating impacts and shadow values/opportunity costs along the entire lifecycle of green hydrogen.

2	<p>You say you are going to become the Green Energy Power-house on the European continent but your current renewable energy industry (solar, wind, bio, hydro) is suffering from insufficient levels of payments, which started long before the full-scale invasion. How would you comment inconsistency of your government's policy in this area?</p>	<p>Inconsistency of Zelenskyi's government in relation to investors in green energy</p>	<p>Indeed, the problem on renewable electricity market has occurred long before the full-scale invasion of russia against Ukraine.</p> <p>However, the debt is gradually being repaid to renewable energy producers and the government has adopted a new stimulation system with auctions and premiums. This war has already demonstrated that we don't have another path for our energy system than a resilient, distributed and renewable one.</p>	<p>Since February 24, 2022, Ukrainian municipalities, homeowners and businesses invested in new renewable energy systems with the goal to increase their own energy resilience and save resources in mid- to long-term. Demand for such projects keeps growing, and the summer 2023 electricity price increase shortened the payback period for such projects.</p> <p>Sooner or later electricity prices in Ukraine will be brought to market level which will make renewable energy projects even more interesting, without the need to rely on additional support, such as feed-in tariff.</p> <p>In July 2023 the parliament of Ukraine adopted a landmark piece of legislation creating conditions for public and private investments in renewable energy, for example through offering net billing scheme for prosumers and providing for certification of origin for green electricity and biomethane.</p>
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<p>3</p>	<p>Due to extremely low taxes on using nature (fossil resources) in Ukraine, gravel price is about 10 EUR/t and sand price is around 8 EUR/t currently. How exactly, are you planning to ensure circularity in reusing destruction waste becomes economically viable?</p>	<p>Lack of mechanisms in place to facilitate market for circularity</p>	<p>This is a very complex issue. On the one hand, we have to reinforce administrative responsibility for dumping destruction waste and raise corresponding fines for such activity. On the other hand, the government is already working on proposing incentives for reusing secondary materials.</p>	<p>We all have to realize that in the long run we have to gradually raise taxes on nature (virgin materials) and lower fiscal load on reusing, repairing, upcycling activities to make circularity competitive.</p> <p>The first stage of incentivizing use of secondary materials could be lower interest rates when financing reconstruction projects, but eventually taxes on finite resources have to be raised step by step.</p>
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4	<p>Don't you think Ukraine is now responsible for slowing down the green transition in the EU?</p>	<p>'We lost cheap oil/gas from russia and had to reopen some coal PUs because of you'</p>	<p>Absolutely not. Despite some shortcomings during the rapid response period in the EU, we see that russia's war against Ukraine has actually accelerated the understanding we can't rely on centralized autocratic fossil-based energy and materials exporters and have to move to a resilient, distributed, renewable energy system and loop materials cycles as locally as possible.</p>	<p>Immediately after 24 February 2022, EU countries rushed to cut their dependence on imports of russian coal, oil and gas, replacing them with gas from elsewhere and a short-term increase in coal-fired electricity.</p> <p>But, according to the European Electricity Review 2023 published by Ember, in 2022 wind and solar generated a record fifth of EU electricity (22%), for the first time overtaking fossil gas (20%), and remaining above coal power (16%).</p> <p>After the start of the russian full-scale invasion there were numerous, rapid responses at the EU and Member State level to mitigate the risks and reduce the scale of the potential energy crisis. Among a host of measures, these included reactivating coal units, importing more coal and diversifying fossil fuel supplies. Combined with rising coal generation at the start of summer (the EU's coal burn in March was 35% higher than in March 2021), this created international speculation that Europe was "returning to coal".</p> <p>But coal power has been in structural decline in the EU for the past decade. Even with the rise in 2022, coal generation was still 37% below 2015 levels, producing just 16% of the EU's electricity. The temporary uptick in 2022 was a small bump in the path to phasing out coal in Europe, with a wider view showing why it is inaccurate to say Europe "returned to coal". EU coal generation fell in each of the last four months of 2022, compared to the same months in 2021.</p> <p>However, the shift away from fossil fuels was slightly slowed down by other twin crises in Europe's electricity system: a 1-in-500 year drought across Europe led to the lowest level of hydro generation since at least 2000, and there were widespread unexpected French nuclear outages just as German nuclear units were closing.</p> <p>Overall, Europe has vowed to cut its reliance on Russian fossil fuels by 2027 by scaling up renewable energy. The European Commission has come up with its action plan - REPower EU. In part, it envisions doubling Europe's solar power capacity over the next two and a half years.</p>
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<p>5</p>	<p>You are talking a lot about rebuilding Ukraine in a better & greener way, but some houses are still being covered with asbestos when rebuilt after the damage. How do these things correspond?</p>	<p>Ukraine's lack of systemic approach toward tackling the use of hazardous materials</p>	<p>There might have been such cases at the very early stage of recovery after initial waves of damages. It definitely could be that between providing people with a roof over their head as soon as possible and looking for good qualitative materials, some volunteers were choosing the first option. And we can't blame them for this, in my opinion.</p>	<p>N/A</p>
<p>6</p>	<p>What can you say about the Govt's plans on green recovery? How serious are these discussions and who is leading this process in Ukraine?</p>	<p>Questioning credibility of political statements</p>	<p>Although first emergency recovery projects were not so green, our Govt indeed has an ambition to create conditions for facilitating a systemic green reconstruction. This still requires some new regulations to be adopted, but it is already clear that all reconstruction projects in all communities of Ukraine will have to be listed on the DREAM platform and go through sustainability assessment/rating.</p>	<p>Even though it is complicated to project how Ukraine's economy may look like in 10 or 20 years, the government and the people of Ukraine have defined a clear path for development - the EU integration which will also imply adhering to the EU's standards, EU Green Deal and related regulations.</p> <p>Ukraine is reforming, rebuilding and implementing EU regulations at the same time, and the understanding of what "green" actually means for the EU and how much work Ukraine's green recovery may entail will unavoidably come to all the main stakeholders in the coming years.</p>

7	How is the green recovery interlinked with the European integration / Ukraine plan / Ukraine facility?	Either curiosity or challenging if the respondent realizes connection between green practices and political intergation process	Judging from what we all have seen on the highest political level, green recovery and green reforms will be some of the key preconditions for Ukraine's integration into the EU.	Ukraine Facility draft regulation clearly states that: "The reconstruction [of Ukraine] offers [EU] an opportunity to support Ukraine in its process of integration into the Single Market and in accelerating its sustainable green and digital transitions, in line with Union policies" "Activities under the Facility shall mainstream climate change mitigation and adaptation, environmental protection, [...] and shall support progress towards the Sustainable Development Goals" "The Facility shall not support activities or measures which are incompatible with Ukraine's National Energy and Climate Plan, if available, with Ukraine's Nationally Determined Contribution under the Paris Agreement, or that promote investments in fossil fuels, or that cause significant adverse effects on the environment or the climate".
8	How will the reconstruction process make sure that sustainability is factored in / are there any centralised check-lists?	Questioning credibility of political statements and implementability of sustainability requirements	Yes, they are being developed as we speak. DREAM project office together with the Ministry for Reconstruction and RISE Ukraine coalitions of NGOs are developing sustainability-related indicators and check-lists, which will be obligatory for all projects uploaded to the DREAM platform . Which is going to become obligatory to do for all reconstruction projects.	N/A

9	<p>How would you assess the local authorities' capacity to work with the sustainability topic, implement green reconstruction projects etc?</p>	<p>Raising an issue of lack of capacity at local administrations</p>	<p>If we say it's completely sufficient – we're not 100% honest with you. There are definitely some gaps in both understanding sustainability or circularity in relation to built environment, but also in project design and management of such initiatives. However, we can definitely tell that most of communities we've been dealing with are extremely interested to improve their skills and increase their local capacity. Therefore, we're always grateful for any help or initiatives from our international partners in this regard.</p>	N/A
10	<p>Are there sufficient civil society actors and focus on this topic?</p>	<p>Questioning sufficiency of civil society engagement and impact</p>	<p>Yes. Our colleagues from RISE coalition (that unites about 50 NGOs) have been actively working on this topic together with the government and our international partners.</p>	N/A

11	<p>What would you recommend international partners that would like to support Ukraine in green reconstruction and sustainability?</p>	<p>Asking for an advice where to direct financial and technical support</p>	<p>Focus on understanding local needs and engaging with local authorities; invite your construction companies to join the process and demonstrate what green reconstruction actually is; don't be afraid to rebuild Ukraine while the war is not over; invest into green materials and practices not only for Ukrainian market, but with intention to export those to a neighbouring western countries.</p>	<p>While the reconstruction is in the preparation as well as already ongoing, there is a considerable need for international partners to participate in the process. Recalling some present challenges on the ground such as lack of human resources, ongoing migration due to the war, there is a huge need and potential in combing the EU and UA expertise in, for instance, architecture, reconstruction and construction (technologies in water and waste treatment) and how those could be implemented in post-war zones.</p> <p>Ukrainian municipalities are currently seeking for various kinds of solutions and expertise while planning the general overview of their projects. One must point out that understanding the Ukrainian landscape and needs of the local communities on the ground is detrimental for the successful reconstruction of the country, and this also applies to the international donors.</p> <p>Also, we do lack developers and construction companies from the EU, which would be active in Ukraine (they were also not here before the full-scale invasion). It's not enough to have international institutions (which will finance the reconstruction) or bright architects (who will design wonderful buildings) - we have to demonstrate the new sustainable quality throughout the entire chain of processes.</p>
12	<p>What are some key strategic materials for the reconstruction of Ukraine that the country currently lacks?</p>	<p>Questioning sufficiency of local materials for reconstruction</p>	<p>There has been an extensive study by USAID on this matter and it shows that potentially Ukraine is ready to cover 80% of key materials demand during the coming years.</p>	<p>There is extensive research on this topic, including a very detailed table (please see the link to a media article here), which lists all the main materials that are needed for reconstruction. This table also indicates what Ukraine can cover sufficiently by itself and what not. About 80% of the material is available locally. However, one thing is the potential to produce locally and the other is the bottleneck in the availability of materials at the very start of the reconstruction process.</p>

13	Are there plans to work on circularity in terms of food waste to turn into biogas and thermic energy as backup alternative to nuke/gas power?	Considering biogas as an alternative to nukes & natural gas	Currently, there are no specific programs dedicated to food waste-to-energy. However, we should definitely work on looping food waste streams with as much value as possible. On the other hand, this kind of potential energy source cannot be a significant backup alternative to nuke or gas in the near future.	Nuclear power is responsible for about 60% of our energy mix, so no, it is not realistic for a food waste biogas to become its alternative. The first thing any country should do in order to decarbonize its energy system is to electrify industries and leave as little as possible for the fuels in the mix. One of the next stages could be replacing fossil fuels by biofuels from waste. There are already quite some biogas projects in Ukraine that are having agricultural chain waste as an input resource. They are located outside the cities and near agricultural companies. It would be interesting to loop food waste streams also in cities. On this stage, however, some feasibility research and pilot projects could be valuable to test economic viability under current regulations and tariffs.
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Additional literature / links to other materials for further reading

1. [Circularity & Energy Efficiency Module by New European Bauhaus and ReThink.](#)
2. [How to rebuild a «green» country: recommendations for Ukraine's recovery](#), by *DiXi Group*, November 2022.
3. [Putting the green reconstruction of Ukraine into action: Requirements for programme design and policy](#), by *Berlin Economics, Centre for Environmental Initiatives «Ecoaction» and CEE Bankwatch.*
4. [Green Reconstruction of Ukraine: Position of Civil Society](#) (signed by 50+ Ukrainian NGOs).
5. Links to publications and articles on green and sustainable reconstruction of Ukraine: <https://bit.ly/GreenUApublishations>.

08. DECENTRALISATION AND RECONSTRUCTION

NGO "Agency for Recovery and Development"

High-level messages

In Ukraine, local self-government exists at three levels: community, district, and region. Local self-government bodies at the local level (community) and at the regional level (regional council) are strong. The subregional authority at the district level is symbolic. Major decisions are made at the local level by heads of communities, local councils, and executive bodies that work autonomously, despite the conditions of martial law.

Currently, regional military administrations have been established and are operating in all 24 oblasts of Ukraine. Regional councils resumed their work. Regional councils help state representatives in coordination on the ground. Real decisions at the oblast level are made by the head of the oblast military administration, who is appointed by the president.

Local communities as they currently exist in Ukraine were formed as a result of the 2015-2020 reform. In 2020, an administrative and territorial reform was carried out and local elections were held. The war stands in the way of the economic development of local communities, but local communities have become active participants in defense and played a crucial role in safeguarding Ukraine's resilience. Also, local communities actively work with IDPs, in some cases with business relocation.

Decentralization reform continues, but at a slow pace. The government is currently working on a decentralization roadmap for 2023–2025.

In the conditions of the budget deficit, the state regional development fund and a number of other instruments supporting the development of territories were frozen. Therefore, the cooperation of local communities with international partners and sister cities has become extremely important.

In order to preserve decentralization and the development of local self-government in Ukraine, reconstruction and recovery projects must be carried out through local self-government.

In-depth messages

Local communities in Ukraine proved to be very effective during the war. Decentralization has become one of the foundations of Ukraine's stability. Local communities actively participated in the defense and continue to actively help the country survive. In the current environment, local communities need capacity building support. The new problems and challenges faced by local communities are exacerbating staffing problems. In local self-government, there are not enough managers and leaders to effectively cope with all tasks for a long time.

In some territories, local self-government should be supported, sometimes even saved. In 174 rural, township and city communities, self-government has been seized or partially lost. Military administrations were created there, which were given the authority of local self-government bodies. In such cases, the head of the community – the head of the administration, is appointed by the president. In these cases, unfortunately, military

administrations were often established in communities where local self-government could be preserved. Such communities are located deep in the rear (for example, the city of Chernihiv).

At the same time, it was possible to preserve local self-government in those communities that have been occupied for a long time. There are 24 such communities, the largest of which are the Mariupol and Melitopol communities. Consequently, the state abolished local self-government and created military administrations in some liberated territories, but at the same time preserved local self-government in some occupied territories. There are also no military administrations in 29 communities that have been occupied since 2014 in Donetsk and Luhansk regions.

There are also no local military administrations in the occupied Crimea. Thus, different approaches to the creation of military administrations gave rise to a discussion about the need to urgently find a balance between vertical military administrations and local self-government.

Decentralization reform was only partially implemented at the beginning of the large-scale invasion. The reform needs deepening, in 2022–2023 the improvement of the legislation was continued. Martial law prohibits changes to the Constitution, which were supposed to enshrine the reform of local self-government. Martial law is also delaying the adoption of a number of laws, such as those on civil administrations, which have now been replaced by military ones.

The government continues to pass laws to deepen decentralization, although the speed of reform has become noticeably slower. At the same time, in the conditions of martial law, a new law on service in local self-government bodies was adopted. Also, new legislation on local democracy and the involvement of residents in decision-making is currently under consideration by the parliament. In addition, the law on regional policy was updated and the legislation on the restoration of local communities and regions was adopted.

So, change is happening, but much more slowly than it was before 2022. The decentralization roadmap is currently being developed. The main stakeholders are the Ministry of Reconstruction (infrastructure, development of territories and communities), the Committee on Local Self-Government of the Verkhovna Rada and the Office of the President of Ukraine.

In 2014, at the beginning of the war, decentralization became one of the means of strengthening Ukraine. Currently, to continue decentralization, local governments should be included in recovery and reconstruction.

At the state level, local communities have already been given the opportunity to submit their projects to recovery plans. Some programs received financing with the help of the European Investment Bank. Currently, the legislation allows local communities to draw up official plans for the recovery of the territory.

The state promotes or is neutral about active contacts of local communities with international partners and foreign colleagues. In some cases, these processes are facilitated, but in most cases local self-government makes independent external contacts.

It is necessary to increase the attention of international organizations and international projects to cooperation with local self-government bodies. In order to preserve the culture of self-government and the development of local territorial communities, it is also very important to implement projects at the local level through the interaction of local governments and CSOs.

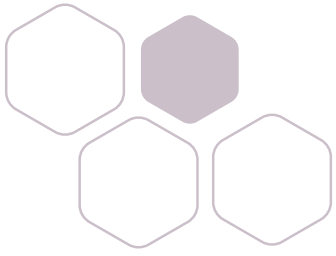
FAQ

#	Question	Trigger (what makes them ask this?)	Short non-expert answer	Extended answer with more details
1	Is it true that using martial law, the center is eliminating decentralization?	In the local elections of 2020, the presidential party "Servant of the People" lost the local elections, so all changes on the ground are considered from the point of view of the continuation of the political competition.	Military administrations are introduced in all regions, regardless of the political climate at the regional level. At the local level, military administrations are introduced only in those areas where hostilities took place. Unfortunately, individual heads of regions really use new opportunities to strengthen their personal power.	In most cases, military administrations have been implemented in the Kharkiv, Zaporizhzhia, Donetsk, Luhansk, and Kherson regions. One administration at the level of a specific community in Zhytomyr and Kyiv regions can really be regarded as an objective step in the aftermath of hostilities. Instead, the situation in Chernihiv is precisely the result of the conflict between the head of the region and the mayor.
2	They say that decentralization in Ukraine has stopped?	The Ministry of Territorial Development, Communities and the Ministry of Infrastructure of Ukraine were merged at the end of 2022.	A new Ministry of Reconstruction was formed, which continued the work on coordination of decentralization and renewed the reform of local self-government	A new department of regional policy and a department of local self-government were created in the new ministry. Part of the old personnel was involved, as well as new employees were mobilized. In addition, many international organizations help the Ministry to include local communities in the recovery process.
3	To what extent does the state take funds from the budgets of local communities?	Currently, the state proposes that the personal income tax of military personnel be included in the state budget.	Indeed, money in local budgets has become less. But currently, Western partners support Ukraine financially in the humanitarian sphere, but the armed forces can only be financed through Ukrainian taxes	Also, part of the withdrawn funds will be directed to the creation of enterprises in the military sphere. These enterprises will be located in local communities, these investments should partially compensate for tax losses of local budgets. The state is also launching a program to support industrial parks.

4	The state monopolizes the processes of recovery and reconstruction. Local communities are left outside the recovery process.	There were very few local community representatives at the recovery conference (URC-2022) in Lugano (Swiss). State leaders rarely mention local self-government now	Decentralization reform has just begun in Ukraine. State leaders also rarely mention business representatives and even international partners. Voters have paternalistic attitudes, so they want to hear from politicians only about the state.	Under the influence of international negotiations on the provision of weapons to Ukraine, government officials have extended the same rhetoric to other areas. At first, the government officials of Ukraine positioned the subject of rebuilding of Ukraine as an exclusively state sphere. Over time, the government adjusted its policy, businesses, international partners, and local communities are actively involved in the recovery. But a certain image has already been created. Together with other problematic factors in the reform of decentralization, the image of the government as having problems with the dialogue with local self-government has been created.
5	Is it true that, using martial law, the center liquidates political opponents – leaders of large cities who were in opposition to the president?	Currently, there are no mayors in Ukraine in Rivne, Chernihiv, Kropyvnytskyi, Severodonetsk, Kherson, Kramatorsk, Poltava, Zaporizhzhia, Kryvyi Rih, etc. (1/3 of regional centers without elected mayors).	The situation is very different in all these cities. It is difficult to evaluate all these cities according to a single criterion. For example, Severodonetsk is occupied, and the mayor of Kherson is probably in captivity.	In particular, military administrations were introduced in Severodonetsk, Kramatorsk and Kherson. In Kropyvnytskyi, the mayor became the head of the regional military administration. The mayor of Zaporizhzhia was removed from office even before martial law, and the mayor of Kryvyi Rih died. The mayor of Poltava was removed by city deputies in a democratic manner. Of course, the situation in Rivne and Chernihiv is an alarming signal, there the mayors lost their positions due to a court decision under the influence of the political vertical.

Additional literature / links to other materials for further reading

1. On the preparation of the road map for decentralization: <https://mtu.gov.ua/news/34602.html>.
2. Legislative projects in the field of decentralization: <https://decentralization.gov.ua/news/17275>.
3. Winning the peace in Ukraine through local accountability: <https://www.gmfus.org/news/winning-peace-ukraine-through-local-accountability>.
4. Decentralization as a basic approach to effective reconstruction of Ukraine: <https://www.rise.org.ua/blog/success-is-the-only-option-essey-collection-from-the-rise-ukraine-coalition-presented-in-london>.



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