

## Note

# ROUNDTABLE DISCUSSION ON UKRAINIAN RECONSTRUCTION AFTER THE WAR: KEY POLICY PAPER AND RECOMMENDATIONS

*Silviu Nate<sup>1</sup>, Ganna Kharlamova<sup>2</sup>, Andriy Stavvytsky<sup>3</sup>*

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1 BA (Political Science), MA (National Security), MA (International Relations and Global Security), PhD (Military Sciences and Intelligence), Associate Professor of Security Studies, the Faculty of Social Sciences and Humanities, Lucian Blaga University of Sibiu, director of the Global Studies Center (GSC), Romania [silviu.nate@ulbsibiu.ro](mailto:silviu.nate@ulbsibiu.ro)  
<https://orcid.org/0000-0002-4711-1061>

**Corresponding author**, responsible for writing. **Competing interests:** Authors have no competing interests. **Disclaimer:** Authors declare that their opinions and views expressed in this manuscript are free of any impact of any organizations.

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2 Dr. Sc. (Economic), Assoc. Prof., Faculty of Economics, Taras Shevchenko National University of Kyiv, Ukraine  
[ganna.kharlamova@knu.ua](mailto:ganna.kharlamova@knu.ua),  
<https://orcid.org/0000-0003-3614-712X>

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3 Dr. Sc. (Economic), Prof., Faculty of Economics, Taras Shevchenko National University of Kyiv, Ukraine  
[a.stavvytsky@gmail.com](mailto:a.stavvytsky@gmail.com) <https://orcid.org/0000-0002-5645-6758>

## ABSTRACT

**Background:** *The work examines the results and conclusions of the roundtable held on May 24, 2023, within the framework of the research project. The participants of the event discussed the main challenges that the Ukrainian government will face after the war when restoring the economy. The war and Ukraine's expected victory should significantly change the geopolitical and economic situation in the world, change the understanding of energy as a weapon, and thus, create a guarantee of energy independence for the entire European continent. Scholars, policy makers, scientists, and practitioners joined together in discussion about addressing the needs of Ukraine after the victory, during the reconstruction phase. The participants noted the inevitability of institutional changes in the Ukrainian state, which is required by the future accession to the EU and NATO. However, in addition to economic challenges, Ukraine will face a complex of significant post-war problems: ensuring social stability, restoring infrastructure, ensuring the integration of the military into peaceful life, restoring the ecology of the territories where military operations were conducted, and significantly reforming the judicial system.*

**Results and Conclusions:** *The policy paper concerning Ukraine's reconstruction efforts was announced as a result of the roundtable. It was highlighted that, to establish a future regional infrastructure and foster a win-win business perspective, it is crucial to engage in practical discussions with the Romanian government and private companies. Creating a shared business platform would facilitate the transition from expressing interests to direct participation in the recovery process. To achieve broader reconstruction goals, it is essential to involve other Western industry actors from countries like Germany, France, Italy, the U.S., the UK, Poland, Norway, etc., with their financial, technological, and implementation capabilities.*

## 1 INTRODUCTION AND THE PROJECT BACKGROUND

On the 24th of May 2023, our Romanian-Ukrainian research team from the Lucian Blaga University of Sibiu and Taras Shevchenko University of Kyiv organised the roundtable entitled 'Addressing the needs of Ukraine: reform, reconstruction and recovery in post-war Ukraine.' The event was executed within the research project, 'A Modern Science-Based Concept for Ukraine to Ensure the Sustainable Development, Recovery and Reconstruction: Cost Assessment, Model and Policy Framework,' and implemented by the Lucian Blaga University of Sibiu and the Global Studies Center with the support of the Hasso Plattner Foundation.

Ukraine's current model of economic development is resource-intensive and environmentally dangerous, unable to increase the welfare of the population, and does not correspond to the current level of technological development in the world. The consequences of the global COVID-19 pandemic and the war have significantly affected the stability of the economy and society, ruined infrastructure, destroyed trade and logistic nets, stimulated great streams of refugees, and temporarily displaced persons inside and outside Ukraine. This can be overcome particularly by ensuring Ukraine's sustainable development along with its rapid renovation and modernisation by following the UN Sustainable Development Goals and the requirements of the Fourth Industrial Revolution.

A broad discussion of the possibility of recovery and reconstruction of the Ukrainian economy became the focal point for participants. The war significantly changed not only the geopolitical layouts in the world, but also led to the realisation of the inevitable significant changes needed in political, economic, social, and cultural spheres. Ensuring security on the European continent requires Ukraine to join NATO and the EU in the near future, which should significantly affect the economy through all of Eastern Europe and Turkey, and change European trade flows, especially energy flows. Emphasis on the use of energy

carriers, the introduction of technologies to produce alternative fuel sources, and energy's storage will obviously change. However, such changes also require institutional changes in the Ukrainian economy, politics, and social structure. The results of the discussions on these issues became the basis for the development of the policy paper and other recommendations for the Ukrainian government after the war.

## 2 KEY SPEECHES AND INSIGHTS FROM THE SPEAKERS

The panel section set the priorities of the roundtable and raised important issues for discussion.

H.E. Ihor Prokopchuk, Ambassador Extraordinary and Plenipotentiary of Ukraine in Romania, spoke about Russian aggression to Ukraine, the destroyed houses, companies, people and children killed, and heavily damaged energy equipment. In only the year 2023, Ukraine demands over 40 billion USD to fund reconstruction projects. Without interference from the EU and U.S. assistance, Ukraine needs to develop and implement a compensation mechanism from the aggressor country. He stated the importance of Romanian enterprises to become involved in the economic reconstruction of Ukraine, providing not only special goods, but also technologies for a smart economy.

H.E. Victor Chirilă, Ambassador Extraordinary and Plenipotentiary of the Republic of Moldova in Romania, said that Ukraine plays a crucial economic role for Moldova, therefore, all European countries must work to guarantee Ukraine wins the war, reoccupying the entire territory. Also, the EU and U.S. must provide serious political and safety guarantees to Ukraine to avoid new wars in Europe. Such a decision requires Ukraine's acceptance to the EU and NATO. A new Marshall plan should be launched for Ukraine as private investments will not step in without security guarantees.

Dr Iulian Fota, State Secretary for Strategic Affairs, Ministry of Foreign Affairs, Romania, estimates Ukrainian current losses in the sum of over 150 billion USD, and demand 450 billion USD in reconstruction. Accounting for the size of damages, he sees the importance of private investors in the future reconstruction of Ukraine. Several conferences are planned to coordinate public and private interests, particularly in London where financial opportunities for recovery should be found. However, all these steps require significant institutional reforms in Ukraine.

Sergiy Nikolaychuk, Deputy Head of the National Bank of Ukraine, stressed that Ukraine's reconstruction must involve private investments to build a modern and competitive economy with a strong domestic private sector. Long-term success in attracting foreign direct investment and promoting private sector investment depends on implementing structural reforms to improve the business climate, strengthen the rule of law, and protect property rights. International financial institutions and foreign export credit agencies can provide initial insurances against risks related to war. Establishing a military insurance pool in Ukraine is anticipated to reduce costs and cover political and military risks. Nikolaychuk stressed that the banking sector plays an essential role in the recovery of local businesses, remaining highly operational despite losses and challenges during the war. The Central Bank's updated strategy, focused on the financial sector's participation in the reconstruction policy, serves as a benchmark for the International Monetary Fund. Regulation aligning with EU standards, approaching regulatory equivalence, and addressing existing gaps are crucial steps towards EU membership.

First Panel discussion was devoted to the valuable dialog on 'Economy; Priorities of Socio-Economic Development Under War and Post-War Reconstruction of Ukraine' with the circle of known experts.

A. Colibasanu (Romania) provided a big-picture overview on geoeconomic challenges in the Black Sea region's status update. In the context of war and post-war reconstruction in Ukraine, the Black Sea region must prioritise socio-economic development to overcome challenges. This involves enhancing infrastructure, promoting economic diversification, supporting SMEs and entrepreneurship, investing in human capital, and addressing regional disparities. By focusing on these aspects, the region can build resilience and a prosperous future.

O. Pyschulina and V. Yurchyshyn (Ukraine) presented the insight into the war through public opinion survey results. Two polls by the Razumkov Centre Sociological Service conducted in Q1 of 2023 reveal differing views on Ukraine's ability to overcome challenges. Around 90% of both experts and the public are confident in the country's capacity to conquer difficulties in the coming years. Citizens are slightly less optimistic than experts about the near future, but both groups expect positive economic changes in 2-3 years. Uncertainty is prevalent among citizens regarding Ukraine's future trajectory.

G. Melehanych (Ukraine) accented the damage costs on the war in Ukraine and its impact on the EU neighbours. The Russian Federation's war against Ukraine, starting in 2014 and escalating in February 2022, has caused devastating human suffering and significant environmental consequences. Military activities led to fires and emissions of pollutants, affecting the local climate. Around 5.5 million tons of pollutants were released into the atmosphere as of March 2023. Infrastructure damage exceeded \$143.8 billion, with housing and public facilities heavily affected. The war's impacts on both the environment and the economy must be addressed in the future. Confronting the environmental fallout entails the imperative task of restoring Ukraine's ecosystems, rebuilding damaged infrastructure, and securing a sustainable future.

M. Nazarov (Ukraine) discussed political and social transformations in post-war Ukraine. For successful post-war reconstruction in Ukraine, rebuilding trust within society between the government and citizens, and among the government, society, and military forces, is crucial. Addressing changes in the educational system and social support structures is imperative, alongside preparing for demographic challenges and potential authoritarian tendencies. Electoral procedures should be reinstated for democratic stability and development. The path to post-war reconstruction lies in rebuilding trust and restoring hope.

L. Leca (Romania) mentioned the importance of risk mitigation towards long-term resilience in the post-war period. To ensure a successful post-war recovery, Ukraine must focus on risk mitigation and long-term resilience in the economic dimension. Diversifying the economy, rebuilding infrastructure, addressing unemployment, attracting foreign investment, and ensuring financial stability are crucial measures. Coordinated efforts are essential for sustainable growth and a prosperous future.

V. Vdovychenko (Ukraine) highlighted the complex security paradigm needed to restore Ukraine. Ukraine's conflict underscores the importance of robust responses to evolving security challenges. Policymakers should focus on situational awareness, defence capabilities, cybersecurity, resilient infrastructure, and diplomatic efforts. International collaboration, exemplified by the Vilnius Summit, is key to fostering collective resilience and safeguarding peace and security in the region.

The panellists came to the following conclusions:

1. Clearly defining recovery priorities is crucial for Ukraine's post-war reconstruction.
2. Restoration of damaged property and critical infrastructure, including energy facilities, in non-occupied territories is a primary focus.
3. De-occupied regions require extensive reconstruction, embracing smart technologies, environmental friendliness, and energy efficiency.

4. A comprehensive reform of state-citizen relations is needed, transitioning to a digital model to prevent corruption, and investing in human capital for further development.
5. Preparedness for future challenges, including potential conflicts with Russia, necessitates deep military reform and the introduction of new technologies and weapons. These efforts aim to create a balanced and resilient society, fostering economic and social development.

The second panel discussion was dedicated to the treasured discourse on 'Advancing Justice: Legal Reforms in Post War Ukraine,' with the circle of recognised legal experts and policy makers. The panel devoted to the issues of justice - how to perform justice amid war and how to provide legal reforms in post-war period with a special focus on compensation mechanisms. This is not about solely reconstruction and recovery of Ukraine after the war, but about restarting and rebuilding the bridges broken, and I am happy that we may contribute to this discussion.

Dr. Oleksandr Bakumov, Chairman of the Interim Special Commission of the Verkhovna Rada of Ukraine on International Humanitarian and International Criminal Law in the Conditions of Armed Aggression of the Russian Federation against Ukraine, People's Deputy of Ukraine, stated that the new realities in Ukraine embody four international crimes established by the Rome Statute: genocide, crimes against humanity, war crimes, and crimes of aggression. Law enforcement agencies have documented 105,803 crimes related to Russian aggression, including war crimes and crimes against Ukraine's national security. The Verkhovna Rada's Temporary Special Commission on International Humanitarian and International Criminal Law collaborated to develop a draft law to apply international humanitarian law in Ukraine and assessed conditions for Russian prisoners of war, adhering to the Geneva Conventions, while Ukrainian prisoners faced inhumane treatment, torture, and hunger.

Dr. Volodymyr Kravchuk, Justice of Supreme Court, Ukraine, claimed that during martial law, courts' powers cannot be suspended and they must act within the limits set by the Constitution and laws. Courts solely administer justice in the area under martial law, facing challenges such as non-execution of decisions, personnel shortages, overwhelming caseloads, and low legal culture. Reforms encompass competitive selection, optimising the court system and addressing the issue of insufficient judges.

Dr. Serhii Kravtsov, Max Planck Institute for International, European and Regulatory Procedural Law, Luxembourg and Yaroslav Mudryi National Law University, Ukraine, argued that the establishment of a unified compensation mechanism for damages caused by Russian troops is a crucial issue with national regulations in progress. However, without international support, implementation may be hindered by resource limitations. Efforts by the international community have resulted in approved documents, but they lack specific compensation mechanisms. The main problem is the absence of a law governing the procedure for compensation from Ukraine's State Budget, creating challenges for those seeking compensation.

In concluding remarks, moderator Dr. Iryna Izarova mentioned that, in the pursuit of justice and post-war recovery, it is crucial for states to address human rights violations by acting against criminals and compensating victims. Scholarly efforts should focus on research, debunking falsehoods, developing protective institutions, and advocating for inclusive justice. Collaborative work with professionals and stakeholders is essential in rethinking justice and promoting sustainable development. The envisioned reforms in post-war Ukraine should prioritise full compensation mechanisms, fair trials, and legal system reforms to prevent the recurrence of conflicts.

Summarising the discussion, the panellists concluded:

1. The new realities in Ukraine reflect grave international crimes documented by law enforcement agencies, demanding justice and compensation for damages caused by Russian aggression.
2. The Temporary Special Commission of the Verkhovna Rada accomplished crucial tasks, including developing a draft law on international humanitarian law.
3. The challenges faced by the judicial authority under martial law need to be addressed for a more credible and efficient system.
4. Establishing a unified compensation mechanism is a pressing issue, requiring support from the international community.
5. The discussion highlighted the importance of restoring justice, territorial integrity, and upholding the rule of law in post-war Ukraine.

### 3 CONCLUSIONS AND POLICY PAPER

To achieve Ukraine's recovery and reconstruction, it is essential to focus on restoring territorial integrity and standing against Russian aggression. This entails providing support for military capabilities and improving infrastructure, while also ensuring global freedom of navigation, especially in the Black Sea region. The process of liberating Eastern Europe from Soviet/Russian influence will require sacrifices and sustained reforms. By restoring its sovereignty, Ukraine gains the opportunity to stabilise and further integrate the country and the region.

A critical aspect of progress lies in enhancing infrastructure as it is vital for economic growth and attracting foreign investment. Additionally, promoting economic diversification and supporting small and medium-sized enterprises (SMEs) will reduce vulnerability to external shocks and foster sustainable economic development. To aid economic recovery, it is critical to implement comprehensive risk mitigation strategies and attract foreign direct investment.

Encouraging academia and think tanks to contribute to finding solutions can greatly benefit decision-making in addressing the challenges Ukraine faces. By supporting civil society networks and research-based reports, the country can make informed and effective policy choices.

*In the Annex to this Note, the prepared Policy Paper 'Addressing the needs of Ukraine: reform, reconstruction and recovery in post-war Ukraine' may be found.*

## Annex

**GLOBAL STUDIES CENTER  
LUCIAN BLAGA UNIVERSITY OF SIBIU**

## POLICY PAPER

# ADDRESSING THE NEEDS OF UKRAINE REFORM, RECONSTRUCTION AND RECOVERY IN POST-WAR UKRAINE

**Silviu Nate, Ganna Kharlamova, Iryna Izarova, Andriy Stavytskyy, Răzvan Șerbu, Eduard Stoica**

**Research grant:** A Modern Science-Based Concept for Ukraine to Ensure the Sustainable Development, Recovery and Reconstruction: Cost Assessment, Model and Policy Framework

## THE CONTEXT

Russia's unprovoked and illegitimate war in Ukraine reflects its irreversible geopolitical decline due to losing all other forms of global competition except military power. Moscow's increasing inability to control regimes and exert political influence in its Western neighbourhood has increased aggressiveness against aspiring democratic countries.

Russia's aggression has dramatically affected Ukraine's domestic and broader economic environment in the Black Sea region. Before Russia's invasion, Ukraine was a key economic player in the region, and all coastal states have been affected drastically by Russia's belligerence.

*Military activities during the war have resulted in fires at industrial sites, residential*

### **Nation's Pulse. Inside the War: A Public Opinion Survey**

The results of two polls conducted in the first quarter of 2023 by the Razumkov Centre Sociological Service compare the views of experts and the general public, revealing conflicting perspectives on Ukraine's ability to overcome its current problems.

Both experts and citizens (around 90%) express a relatively high level of confidence in the country's capacity to overcome existing difficulties in the coming years or beyond.

However, regarding the following few years' trends, citizens are slightly less optimistic than experts. Approximately 49% of citizens and 46% of experts believe that Ukraine can overcome its problems in the near future. Meanwhile, citizens are more hesitant in predicting the longer-term future's success, with 36% indicating the ability to overcome challenges compared to 46% of experts. This discrepancy may be attributed to the difficulty citizens face in forecasting developments further into the future, resulting in a higher percentage of undecided respondents (11% compared to 5% among experts). Pessimism is equally low among citizens and experts, with only 3% believing that Ukraine cannot overcome its challenges.

areas, and natural ecosystems, leading to the emission of greenhouse gases and other pollutants into the air. The exact scale of these repercussions is difficult to predict, but it is evident that combat activities impact the local climate.

The conflict in Ukraine highlights the evolving nature of security challenges and the urgent need for robust responses.

*Engaging multiple actors requires a comprehensive effort;* therefore, the international community (governments, private donors, companies, think tanks, academia, and civil society) plays a vital role in the reconstruction process.

*Providing political and economic help to Ukraine and the Republic of Moldova is directly linked with a greater purpose of supporting their becoming EU members.* Concrete achievements in reforms will solidly argue for their fast accession, increasing support, and coordination for a successful reconstruction plan.

## WINNING THE WAR

Any discussion related to Ukraine's reconstruction and recovery should consider the war's premises, and *Ukraine has to win this war* with the support of a large coalition of democratic nations. Consequently, there's an objective need to help Ukraine with all the means and solidarity to succeed.

Ukraine continues to need assistance from its partners. The key is *promptly delivering necessary military and technical assistance to end the war as soon as possible.* Enhancing long-range artillery and modern combat aircraft capabilities remains critical for ensuring comprehensive air defence, including ammunition and spare parts.

Winning the war means *repelling the aggressor and completely liberating Ukraine*, withdrawing Russian troops from Ukraine's territory, and *restoring absolute territorial integrity.*

*Without long-term security assurances, the region would not experience successful*

In terms of the domestic economic situation over the next three months, nearly half of both experts and citizens do not anticipate any significant changes. Experts, however, are slightly more likely (36%) to expect a worsening situation than citizens (23%).

Looking at the mid-term perspective of economic changes within 2-3 years, experts and the population hold predominantly positive expectations. Approximately 59% of the total interviewed experts and 52% of citizens anticipate improvements. Conversely, citizens are less inclined (11%) than experts (23%) to expect negative changes, possibly due to seeing the impact of past aggression and its consequences.

It is noteworthy that a significant proportion (26%) of citizens express uncertainty ("hard to say") regarding the future trend of economic changes in the country over the next 2-3 years.

In summary, while neutral sentiments dominate the short-term prospects, with neither experts nor the population foreseeing substantial changes, Ukrainians believe the country will overcome its problems and difficulties in the next few years.

### Winning the war has a practical understanding that requires proper action:

- Prompt enhancement of long-range artillery and modern combat aircraft capability, including ammunition and spare parts.
- Complete liberation of Ukraine, withdrawing Russian troops from Ukraine's territory, and restoring absolute territorial integrity.
- Long-term security assurances for Ukraine and strong deterrence towards Russia, transatlantic defence posturing in the Black Sea region.
- Transnistrian conflict settlement.
- Prioritise capacity-building in cybersecurity for Ukraine and the Republic of Moldova.
- Diplomatic engagement, dialogue, and negotiation are essential for de-escalating conflicts.
- Steps toward the next level of the NATO-Ukraine Council at the Vilnius Summit.



*reconstruction and recovery, especially in Ukraine. Strong deterrence towards Russia, allied defence posturing in the Black Sea region, and transatlantic commitment to Ukraine and the Republic of Moldova will provide the necessary practicality to signal to Moscow the amplitude of a superior Western commitment for ensuring a stable path in the region.*

An effective regional reconstruction and recovery process implies a successful Transnistrian conflict settlement, which jeopardises the Republic of Moldova's European integration path. *The complete withdrawal of Russian troops from the territories of Ukraine and the Republic of Moldova is a precondition for an effective reconstruction process and regional stabilisation. While Russia is not anymore a credible mediator of this conflict, a committed role of the EU, the UK, the United States, and other democratic partners is critical for a Transnistrian political settlement under a revised negotiating format and status.*

One should not forget about future challenges, meaning readiness for a new war with the Russian Federation or its parts. Profound reform of the Ukrainian army must be enacted, restoring its protective power and introducing new technologies and weapons.

Enhancing situational awareness is crucial in navigating complex security challenges. The allies should consider stepping up to the next level of *the NATO-Ukraine Council* at the Vilnius Summit, which entails *permanent consultations, improving intelligence sharing, early warning mechanisms, and utilising advanced surveillance technologies*. Collaborative efforts among international partners and regional organisations will enable the timely identification and response to emerging threats.

Ukraine's experience emphasises the importance of strengthening its defence capabilities. It involves ensuring defence production capacity and participating in joint military exercises.

The growing significance of cyber threats necessitates robust cybersecurity measures. Governments and organisations should prioritise capacity-building in cybersecurity, information sharing, and cooperation to mitigate risks effectively. *Public-private partnerships and international cooperation frameworks are vital for addressing cyber challenges*. Romania could be a substantial contributor, as it is notorious for its valuable cyber capacity and vast knowledge in the field.

Investing in resilient infrastructure is crucial for establishing efficient disaster response mechanisms and diversifying energy sources.

Diplomatic efforts play a significant role in addressing security challenges. *Diplomatic engagement, dialogue and negotiation are essential for de-escalating conflicts, promoting peacebuilding, and advancing regional stability*. Multilateral forums provide a valuable platform for constructive discussions and cooperation.

## REESTABLISHING ECONOMIC SYNERGIES

*Rebuilding and modernising Ukraine's economy is part of a broader geopolitical effort.*

Economic recovery and security assurances go hand in hand with practical discussion on the reconstruction plan. *Emphasising Ukraine's needs, a comprehensive program will include infrastructure and residential rebuilding, restarting the region's economy, and advancing an extended security architecture for the Black Sea region in alignment with the European integration agenda.*

Last year, Ukraine and the Republic of Moldova successfully applied to become candidate states for EU integration. Proactive support and continuous assistance offered by neighbouring countries, like Romania, for fulfilling the European Union's conditionalities will increase

both countries' potential to start negotiations for accession to the EU. *Romania and Poland are pivotal regional actors in providing assistance and support to increase institutional capacity for acquiring EU integration standards; they also have the connecting potential for energy, trade, infrastructure, and digital corridors between Ukraine, the Republic of Moldova, and the rest of Europe.*

New reforms and structural adjustments lead to short and mid-term efforts for Ukraine and the Republic of Moldova. There's a strong need for engagement on behalf of the EU, which represents accelerated tools for political solidarity, financial assistance, and investments.

Weak engagement to institutional and private financial investments in the reconstruction and recovery of Ukraine and the Republic of Moldova, and also in the Black Sea region, will push the area forward into the periphery, creating an insecurity loop and perpetual strategic vulnerabilities linked to eastern neighbouring countries' harmful exposure to Russia's abuse. Therefore, *long-term Europe's stability requires an extensive geopolitical project and a comprehensive plan for the Black Sea region.*

The reconstruction of Ukraine is the second crucial strategic goal, following defending the country and stepping into the logic of security guarantees. At the same time, it is extremely important for Kyiv to start the country's rebuilding process as soon as possible without waiting for the war's end. According to the *Joint Assessment*, made by Ukraine's government, the World Bank Group, the European Commission, and the United Nations on 23 March 2023, the estimated cost of reconstruction and recovery of Ukraine's growth to \$411 billion, which means it will be the largest reconstruction project since World War 2 and amounts to two times Ukraine's 2021 GDP, so it requires a consistent effort.

During 2023, Ukraine needs \$14 billion to fund immediate critical requirements, priority reconstruction, and recovery of the country.

Numerous industrial targets, including various industries' thermal power stations, production, and storage facilities, have been exposed to shelling, leading to fires and releasing combustible products into the atmosphere. The combination of various stored materials creates a hazardous chemical mixture, further contributing to environmental damage.

Estimates provided by The Kyiv School of Economics indicate that, as of March 2023, around 5.5 million tons of pollutants were released into the atmosphere due to military activities

**Financial sources identified by the government of Ukraine:**

- *Coordinated funds* directly allocated from the Ukrainian state budget, funds of international partners, and donor funds from countries worldwide.

The historic decision to establish an *international register of damages* forced by the aggression of the Russian Federation against Ukraine, adopted at the Council of Europe Summit in Reykjavik on 16-17 May 2023, is an essential milestone in the process to establish justice and explore appropriate funding options for a full-fledged compensation mechanism.

*A large-scale restoration programme* was launched in Ukraine that provided financial assistance to repair houses damaged by hostilities. The Ukrainian government is keen to carry out these repairs for the people who returned to the areas liberated from the temporary Russian occupation. As of 12 May, nearly 6.000 applications have been accepted under this programme. Almost 60 countries are helping to restore and repair different settlements in Ukraine and repair the infrastructure destroyed by the Russian attacks. Over 300 territorial communities are included in 1.000 partnership agreements with municipalities of other countries. Last year, a summit of regional and municipal authorities was held in Kyiv to bolster cooperation on the regional level between Ukrainian regions and partner countries' regions. In one year since its establishment on 5 May 2022, the *United24* fundraising platform raised more than \$325 million in contributions from international companies, Ukrainian businesses, charitable organisations, world celebrities, and donors from over 100 countries. Complete liberation of Ukraine, withdrawing Russian troops from Ukraine's territory, and restoring absolute territorial integrity are the ultimate goals.

in Ukraine. The destruction of the environmental protection system in combat zones has resulted in the loss of ecological data, the absence of monitoring, and the inability to implement measures to reduce greenhouse gas emissions and adapt to climate change.

Moreover, Russia's military aggression has caused significant, direct damage to the economy. Within one year of the invasion, documented direct damage to residential and non-residential real estate and infrastructure exceeded \$143.8 billion at replacement cost.

### Three stages for rebuilding residential infrastructure:

- *Restoration of damaged property in non-occupied territories is much easier to implement.*
- *Restoration of critical infrastructure, particularly energy facilities and telecommunications, is essential for keeping the economy alive and sustaining Ukraine's defence capacity.* Russia seeks a prolonged confrontation and hopes to use the winter months to socially demoralise and gain more damaging leverage against Ukraine due to the lack of proper energy resources. Military aggression demands energy production and transmission decentralisation through appropriate transformers on new bases, including environmental friendliness, efficiency, and protection against missile strikes. However, *there is an acute need to prioritise the immediate restoration of indispensable critical infrastructure facilities.*
- *Kyiv's and the Western commitment to Ukraine's defence follows the principle of prevailing against the aggressor, which means de-occupying all regions as of 1991. Many cities and towns were completely destroyed, especially in the Eastern part of the country. Cities like Bakhmut, Maryanka, Soledar, Mariupol, and many others require a complete reconstruction based on smart technologies, environmental friendly materials, and energy efficiency.*

### **Russia's direct damage to Ukraine's economy:**

- The largest share in the total volume of direct losses belongs to residential buildings (37.3% or \$53.6 billion) and infrastructure (25.2% or \$36.2 billion). Losses of business assets amount to at least \$11.3 billion and continue to grow. Direct losses in the agricultural sector, as a result of the war, constitute \$8.7 billion.
- Cumulative direct losses from the destruction and damage of public sector facilities (social objects and institutions, educational, scientific and healthcare institutions, cultural buildings, sports facilities, administrative buildings, etc.) amount to about \$13.69 billion. The shelling of cities and towns, a tactic employed by Russia, has led to extensive destruction of the housing market. As of February 2023, over 50% of the housing sector in numerous locations near the frontline was damaged or destroyed, including private houses, multi-apartment buildings, and dormitories.
- According to preliminary data of the regional military administrations, as of February 24, 2023, the total number of destroyed or damaged housing supply amounts to about 153,860 buildings, of which 136,000 are private (individual) houses; 17,500 are multi-apartment buildings; and 300 are dormitories.

## **ENVIRONMENTAL CONSEQUENCES OF THE RUSSIAN INVASION**

Russia's military aggression has not only brought tragic circumstances to human destinies but also created new threats to Ukraine's natural environment. So *the impact of Russia's crimes against the environment needs to be examined, condemned, and compensated for in the future.*

Military activities that have caused fires at industrial and infrastructural sites, in the residential sector, and natural ecosystems, and *emissions of volatile compounds due to damage done to industrial sites have emitted large quantities of greenhouse gases and other pollutants into the air.*

Fires in production and warehouses occur regularly because of enemy shelling, which emits many combustible products into the atmosphere. The danger of these fires is explained by the fact that *products and materials of various origins are often stored in warehouses, creating favourable conditions for forming a chemical "cocktail" that negatively affects the environment on a scale that is difficult to estimate.* Some materials relate to the damaged tanks, where dangerous, volatile substances had been stored.

The destruction of the environmental protection system in the combat zones has led to the loss of information about the state of the environment; in some areas, environmental monitoring is not carried out, ecosystem services are not provided, and measures to improve the environment's state, reduce greenhouse gas emissions, and adapt to climate change are not implemented.

*Russia's military aggression has led to several dangerous effects on all components of the environment – atmospheric air, soils and landscapes, surface and underground waters, vegetation, and animal life.*

The destruction of the Nova Kakhovka hydroelectric dam in southern Ukraine generated catastrophic floods, engulfing towns and villages in the south of Ukraine, flooded mines uncontrollably, accelerated irreversible drought processes in Crimea with severe consequences on Ukrainian agriculture, and additionally affected the Black Sea flora and fauna.

## ENGAGING CIVIL SOCIETY

*Engaging domestic and Western civil-society actors in Ukraine will contribute to retaining people's freedom.*

Sociology shows that Ukrainians trust themselves, their relatives, and their closest social circles. The situation improved in the first months of the war, but now there are also tendencies toward social atomism.

It is necessary to comprehend the changes in the educational and social support systems. *After the war, many people in Ukraine will need social, psychological, material, and other services provided by the government.* The issue of retraining is acute – *Ukraine needs new specialists focused on restoring the economy and providing psychological and social support.*

Due to the war, Ukraine lost a significant active population (deaths, physical infirmity, migration). Therefore, *it is necessary to significantly increase human capital and invest in it to ensure the possibility of further development.* Demography in post-war Ukraine is a painful issue. Even before the war, demographic problems associated with ageing and depopulation were recorded, and the war only aggravated this declining pattern to the limit. It is difficult to determine the number of citizens who will return to Ukraine to estimate how many will live in the country after the war. This figure is necessary for production planning, government orders for universities, social services, etc.

Even if some experts believe that authoritarian tendencies in Ukraine may be confirmed after the war's end, it may be a false issue. Still, it remains to be evolutionally studied as a working hypothesis. A request for a firm hand and a quick renewal of the country should be complementary with accountable and transparent leadership. *A comprehensive reform of state-citizen relations in the country is needed as a complete transition to a digital model of communication and relations to prevent corruption. Society must be ready to retain freedom*

*and the right to change its government. Electoral procedures must be restored as soon as the security situation advances.*

Georgia, another Black Sea coastal state, records a high societal motivation for Euro-Atlantic integration while its domestic political dynamic decreased reform efforts and Western commitment. Extensive logic suggests supporting Georgian society's aspirations and keeping the country in the regional stabilisation process is fundamental.

At the Black Sea region level, ensuring social inclusion and addressing regional disparities are vital components for sustainable development. Investing in healthcare, education, and social welfare programs will improve human capital and reduce inequalities, fostering regional social cohesion and stability.

Additionally, *investing in human capital is crucial for long-term socio-economic development.* This entails *prioritising education, vocational training, and healthcare services.* By equipping individuals with the necessary skills and ensuring their well-being, the region can build a resilient workforce and enhance productivity.

Finally, *addressing regional disparities and promoting social inclusion is paramount because the war has exacerbated inequalities within the Black Sea region.* Implementing targeted policies and programs to reduce disparities, improve access to services, and promote social cohesion will foster stability and sustainable development.

## ADVANCING JUSTICE FOR POST-WAR UKRAINE

Ukraine's new realities represent the embodiment of all four international crimes established by the Rome Statute: genocide, crimes against humanity, war crimes, and crimes of aggression. According to Dr Oleksandr Bakumov, Chairman of the Interim Special Commission of the Verkhovna Rada of Ukraine on International Humanitarian and International Criminal Law in the Conditions of Armed Aggression of the Russian Federation against Ukraine, People's Deputy of Ukraine, as of today, *"the law enforcement agencies of Ukraine have already documented 105,803 crimes related to Russian aggression, 88,591 crimes against peace, security of humanity, and international order, including 85,949 war crimes, as well as 17,212 crimes against the foundations of our state's national security."*

The Temporary Special Commission of the Verkhovna Rada of Ukraine on International Humanitarian and International Criminal Law in the Conditions of Armed Aggression by the Russian Federation Against Ukraine has accomplished the following tasks:

- It was developed in collaboration with the Ministry for Reintegration of Temporarily Occupied Territories of Ukraine as an infrastructural draft law on the application and observance of international humanitarian law in Ukraine.
- Members of the Special Commission, the Members of Parliament, have repeatedly visited places of detention for Russian prisoners of war, communicated with them, and confirmed that these conditions comply with the Geneva Conventions. The same cannot be said about the inhumane conditions, torture, and hunger experienced by Ukrainian prisoners of war.

- **The judicial authority faces various problems that impede its effectiveness.** These challenges include the non-execution of court decisions, a shortage of personnel with over 20 courts lacking judges, an overwhelming caseload with more than 1.000 cases per judge, a low legal culture among employees and citizens, and a diminished authority of the court. These issues need to be addressed to establish a more efficient and credible judicial system that upholds justice and the rule of law.
- **Reforms in the judicial authority encompass competitive selection with international expert involvement for key bodies** like the High Council of Justice, the High Qualification Commission of Judges of Ukraine, and the Constitutional Court of Ukraine. Additionally, measures include optimising the court system through consolidation, addressing the issue of insufficient judges with over 2.500 vacancies (45% of positions), and implementing strategies to reduce the overall number of court cases.

During the period of martial law, the powers of the courts cannot be suspended. In the conditions of the legal regime of martial law, courts, bodies and institutions of the justice system act exclusively on a basis within the limits of authority and in the manner determined by the Constitution of Ukraine and Ukrainian laws. Justice in the territory where martial law has been imposed is administrated only by courts. Courts, which were created in accordance with the Constitution of Ukraine, operate in this territory.

To date, *establishing a unified compensation mechanism* for the damage caused by the illegal actions of Russian troops remains a crucial issue on the agenda. At the national level, some regulations have already been prepared and submitted for discussion, which will aid those suffering damage with receiving compensation for their destroyed property. *Yet, without the international community's support, Ukraine's efforts to implement ideas for actual compensation to citizens who lost their property may be impossible due to the lack of resources.*

Regarding the efforts of the international community to help establish a tribunal that will deal with issues of compensation for damage, it is known that during 2022-2023, numerous international documents were developed and approved. However, when justifying their position, the states that supported the Resolution noted that this international document does not entail the creation of any compensation mechanisms but only declares the need to create such a compensation mechanism.

The main problem facing this effort is that exercising the right to obtain the specified compensation depends on a compensation mechanism, which a separate law must establish. *The law, which regulates the procedure for compensation from the funds of the State Budget of Ukraine for damage caused by an act of terrorism, does not exist, both at the time when disputed legal relations emerged and at the time of the case proceedings in the courts.* Moreover, Ukrainian legislation lacks the payment procedure for the relevant amount and the precise conditions necessary to declare a property claim to the state regarding granting such compensation.

The envisioned reforms in post-war Ukraine should prioritize full compensation mechanisms, fair trials, and legal system reforms that prevent the recurrence of conflicts.

## FINAL REMARKS

Addressing the complete need for Ukraine's recovery and reconstruction implies meeting the precondition of restoring complete territorial integrity. Meanwhile, Kyiv must resist Russia's aggressive war and needs urgent practical support to increase its military capacity and infrastructural resilience. Additionally, Western nations should fight to preserve and guarantee the freedom of navigation worldwide, including in the Black Sea region.

Russia shows the world that it decides to destroy what it can't take by force. Unfortunately, Vladimir Putin pushes for more humanitarian disaster, and the democratic coalition must engage itself promptly in supporting Ukraine. The second liberation of Eastern Europe from Soviet imperialism comes with sacrifices, long-term reform, and an adaptation process. Russia under Putin will not abandon its aggressive behaviour towards its neighbours, but Ukraine's triumph will inspire other nations in the region to fulfil their democratic aspirations. As Albert Einstein said, *"In the midst of every crisis lies great opportunity."*

Restoring Ukraine's sovereignty as of 1991 brings a tremendous chance to stabilise, innovate, rebuild, and sustainably integrate the country and the region.

Enhancing infrastructure is essential for promoting economic growth and stability. Investment in transportation networks, energy systems, and digital connectivity will facilitate trade, attract foreign direct investment, and strengthen regional integration. Furthermore, focusing on modernising ports and logistics facilities will enhance the region's competitiveness and facilitate international trade. The war has taken a toll on vital transportation networks, energy systems, and communication infrastructure. Rehabilitating and modernising these systems will enable the flow of goods and services, attract investments, and enhance regional integration.

The Black Sea region has been grappling with significant geoeconomic challenges, particularly in the context of the war and post-war reconstruction efforts in Ukraine. Prioritising socio-economic development is crucial to address the pressing issues faced by the region.

Promoting economic diversification is vital to reducing the region's vulnerability to external shocks. The Black Sea region can foster innovation, job creation, and sustainable economic growth by encouraging the development of sectors beyond traditional industries, such as agriculture and heavy manufacturing. By encouraging innovation, supporting entrepreneurship, and promoting a favourable business environment, the region can diversify its economy, create new jobs, and reduce dependence on vulnerable industries.

Fostering entrepreneurship and supporting small and medium-sized enterprises (SMEs) will stimulate economic activity and create employment opportunities. Providing access to financing, promoting business-friendly regulations, and investing in vocational training and education will empower entrepreneurs and contribute to economic resilience. SMEs

#### **Recommendations for the Romania-Ukraine bilateral agenda:**

It is noticeable that Romania is an important Black Sea actor and neighbour in providing assistance and support for Ukraine's Euro-Atlantic integration; it has the potential to link energy, trade, infrastructure, and digital routes between Ukraine, the Republic of Moldova, and the rest of Europe.

As a significant contributor to NATO's Eastern Flank and broader transatlantic security, Bucharest could help Kyiv accelerate reforms in the defence and intelligence sectors.

Ukraine's reconstruction requires public support in Western society; therefore, Romania could be conducive to increasing public diplomacy efforts in explaining the importance of mutual engagement within the regional, European, and international forums.

Boosting practical talks with the Romanian government and private companies is crucial for setting up a future regional infrastructural web and bringing a win-win business perspective.

Setting up a mutual business platform facilitates the transition from declarations of interest to direct participation in recovery.

Engaging other Western industry actors from Germany, France, Italy, the USA, the UK, Poland, Norway, etc., with financial, technological, and implementation capacities is mandatory to fulfil broader reconstruction objectives.

are a driving force for job creation and economic growth. Providing them with access to finance, business support services, and technology will empower entrepreneurs and stimulate local economies.

The war with Russia has left a trail of destruction, causing significant economic losses and disrupting key sectors. By implementing comprehensive risk mitigation strategies and focusing on long-term resilience efforts, Ukraine can overcome the economic challenges posed by the war and create a foundation for a solid start in its accession process to the EU.

Attracting foreign direct investment (FDI) is crucial for economic recovery. Ukraine needs to enhance its business environment, streamline regulations, and provide incentives to attract foreign investors. It includes improving governance, combating corruption, and ensuring a level playing field for domestic and international businesses.

The European Union and other partner countries should encourage and financially support academia and think tanks to establish civil society networks and research-based reports to find solutions. Therefore, confronting independent ideas and policy recommendations will contribute to the political establishment's decision-making.

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On the 24<sup>th</sup> of May, 2023, our Romanian-Ukrainian research team from the Lucian Blaga University of Sibiu and Taras Shevchenko University of Kyiv organized the roundtable entitled: *ADDRESSING THE NEEDS OF UKRAINE: REFORM, RECONSTRUCTION AND RECOVERY IN POST-WAR UKRAINE*. Event executed within the research project named: *A Modern Science-Based Concept for Ukraine to Ensure the Sustainable Development, Recovery and Reconstruction: Cost Assessment, Model and Policy Framework*, LBUS-UA-RO-2023; 455/01.02.2023, and implemented by the Lucian Blaga University of Sibiu and the Global Studies Center with the support of the Hasso Plattner Foundation.

**Project coordinator:**

Assoc. Prof. Silviu NATE, PhD

**Research team members:**

Assoc. Prof. Ganna KHARLAMOVA, PhD

Prof. Iryna IZAROVA, PhD

Prof. Andriy STAVYTSKYI, PhD

Prof. Răzvan ȘERBU, PhD

Assoc. Prof. Eduard STOICA, PhD



**The policy paper is a result of a valued dialogue with the following distinguished participants:**

**Dr Iulian FOTA** – State Secretary for Strategic Affairs, Ministry of Foreign Affairs, Romania;

**H.E. Ihor PROKOPCHUK** – Ambassador Extraordinary and Plenipotentiary of Ukraine in Romania;

**H.E. Victor CHIRILĂ** – Ambassador Extraordinary and Plenipotentiary of the Republic of Moldova in Romania;

**Sergiy NIKOLAYCHUK** – Deputy Head of the National Bank of Ukraine;

**Dr Antonia COLIBĂȘANU** – Senior Analyst & COO at Geopolitical Futures (USA) & Lecturer at SNSPA;

**Vasyl YURCHYSHYN** – Director of socio-economic programs at the Razumkov Center;

**Olga PYSCHULINA** – Leading expert on social and gender programs at the Razumkov Center;

**Dr Hanna MELEHANYCH** – Director of the Sustainable Development Center of the Uzhhorod National Univ.;

**Dr Nikolay NAZAROV** – Director of Research Center for Regional Security, Sumy, Ukraine;

**Leonela LECA** – Senior Analyst at the Global Studies Center, LBUS & Executive Lead at Economy Stream at GLOBSEC, Bratislava;

**Dr Victoria VDOVYCHENKO** – Program Director at Ukrainian PRISM Europe, Borys Grinchenko Kyiv University;

**Dr Oleksandr BAKUMOV** – Chairman of the Interim Special Commission of the Verkhovna Rada of Ukraine on International Humanitarian and International Criminal Law in the Conditions of Armed Aggression of the Russian Federation against Ukraine, People's Deputy of Ukraine;

**Dr Volodymyr KRAVCHUK** – Justice of Supreme Court, Ukraine;

**Dr Serhii KRAVTSOV** – Max Planck Institute for International, European and Regulatory Procedural Law, Luxembourg; Yaroslav Mudryi National Law University, Ukraine.