



POLICY PAPER

BEYOND CONFLICT: UKRAINE'S JOURNEY TO RECOVERY, REFORM AND POST-WAR RECONSTRUCTION

CONFERENCE REPORT



UNIVERSITATEA
LUCIAN BLAGA
DIN SIBIU

HASSO PLATTNER
FOUNDATION



Within the project

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

AUTHORS

Silviu NATE - coordinator

RESEARCH TEAM

Andriy STAVYTSKYY
Ganna KHARLAMOVA
Răzvan ȘERBU
Iryna IZAROVA
Eduard STOICA

TABLE OF CONTENTS

Economic and Infrastructure Perspective for the Post-war Renovation of Ukraine	01
Geoeconomic Challenges and Opportunities	03
Romania's Role in Supporting Ukraine	05
The Path to the EU Integration	06
Ukraine's Effort Towards Transatlantic Membership	07
Recovery and Rebuilding Challenges	08
Constraint on Russian Assets for Ukraine's Recovery: Legal Perspectives	11
Conference Agenda & Contributors	14

The policy paper is a result of the conference entitled "Beyond Conflict: Ukraine's Journey to Recovery, Reform and Post-War Reconstruction" organised on November 29, 2023, under the auspices of the research grant entitled "A Modern Science-Based Concept for Ukraine to Ensure Sustainable Development, Recovery and Reconstruction: Cost Assessment, Model and Policy Framework", funded by the Hasso Plattner Foundation and the Knowledge Transfer Centre of the Lucian Blaga University of Sibiu, Romania.

The war in Ukraine has caused severe humanitarian and economic consequences. It has created a new geopolitical environment that demands continual support for Ukraine and sustainable goals for the post-war period.

A better reference to the conflict is the "Russian-European War", which additionally highlights that Ukraine is an essential part of European civilisation and that Russia has declared war on the entire continent, challenging European security architecture. Therefore, the Western Coalition must support the victory of Ukraine and reject the Russian abuse of European civilisations.

January 2024

Revitalisation relies on effective fiscal policies and attracting investment to support enterprises and generate employment by:

- *Mitigating the cost-of-living crisis exacerbated by supply shocks.*
- *Addressing long-term unemployment from demobilisation.*
- *Capitalising on energy self-sufficiency and export potential.*
- *Enhancing competitiveness and productivity of state-owned enterprises.*
- *Improving infrastructure to enable growth.*
- *Implementing anti-corruption measures.*
- *Streamlining regulations and financing access.*

The prices of goods supplied by Russia and Ukraine, including oil, wheat, fertilisers, and various metals, have risen sharply. It has exacerbated poverty and food insecurity, adding to increasing inflationary pressures. The issue needs to be addressed by policymakers to mitigate its impact on people and the economy.

After the war, Ukraine is expected to experience a significant increase in unemployment rates and bankruptcies among firms and enterprises. It is due to the return to civilian life of over a million military personnel. In 2021, there were 1,956,248 registered entities of economic activity in Ukraine, with 1,585,414 being persons-enterprises. However, as of January 1, 2023, this number decreased to 1,464,953, representing a decrease of 25.2%.

To help businesses affected by war, **a state program is needed to support small and medium-sized enterprises.** Ukraine must recover and grow to match neighbouring countries. **Ukraine has great potential to become an important energy player in Europe due to its abundant uranium and shale gas resources and vast and dependable gas storage facilities.** Additionally, Ukraine is rich in natural resources that can be used to produce green energy, such as solar, wind, and biomass. It presents a unique opportunity to develop sustainable energy and decrease reliance on non-renewable energy sources.

Ukraine has a unique program with the IMF that helps manage the economy and financial sector during uncertainty without directly financing the budget. Inflation has fallen to 5.3%, close to the 5% target. Despite the adverse effects, the National Bank of Ukraine hopes to achieve the target.

The National Reconstruction Agency is crucial for all reparation, implementation, control, and reporting stages for projects with budgetary and donor funds. **Ukraine needs to enhance the effectiveness of state-owned enterprises and banks, create infrastructure, and develop strategies for efficient privatisation.** In the transition stage, public-private partnership instruments can help overcome initial resistance, and they should target programs from foreign governments and agencies via subsidising insurance, co-investment, and guarantees.

A proposed plan for modernising Ukraine involves collaborative efforts between the government, businesses, and civil society, focusing on implementing anti-corruption initiatives. The [analysis](#) estimates that Ukraine will require around \$700 billion over the next decade for this effort. It is realistic based on a study of over 40 countries receiving aid and international assistance following similar situations. However, most of this funding will likely come from foreign direct investments (FDI). To attract FDI, Ukraine must improve its financial infrastructure both within the country and outside of it. The European Investment Bank is a significant potential investor in Ukraine.

In 2024, Ukraine will join SEPA - the European payment system in euros - one of the elements of Ukraine's European integration track. And this is one of the indicator elements in the Ukrainian plan with the European Union.

Recommendations

- *Expand social safety net eligibility using World Bank aid to protect vulnerable groups.*
- *Develop robust retraining programs preparing veterans for civilian roles in priority sectors.*
- *Incentivise renewables integration, achieving 2030 climate targets, and cleaning energy exports.*
- *Strategically privatise non-core SOEs while enforcing corporate governance reforms.*
- *Stand up Reconstruction Agency with the mandate to consolidate infrastructure modernisation.*
- *Launch comprehensive anti-corruption campaigns.*
- *Provide a transparent and simple tax system to attract FDI.*
- *Partner with EIB, EBRD, etc., on priority infrastructure and enterprise financing.*
- *Impose procurement transparency auditing processes to ensure responsible expenditure.*
- *Expenses for implementing monetary policy through the absorption of liquidity (interest expenses on deposit certificates of the NBU) are necessary and justified to maintain macroeconomic stability in Ukraine.*
- *Detail development and step-by-step realisation of the National Revenue Strategy, the Ukrainian Plan within the framework of the Ukrainian Facility from the EU: a large matrix of reforms to be prepared, where all plans, strategies, programs and memoranda will be combined.*

Key Issues

- *Leveraging potential as trade routes crossroads between EU and Central Asia.*
- *Reconstructing agriculture export capacity through modernised port infrastructure.*
- *Building cyber and energy resilience to support the economy under conflict conditions.*
- *Attracting investment via compliance with EU regulations and standards.*
- *Overcoming Russia's efforts to cut off Black Sea access is critical for trade.*
- *Advancing EU Middle Corridor east-west connectivity goals.*

Ukraine's role as a frontier between the Western world and regions marked by conflict and resource competition highlights the multifaceted nature of the conflict with Russia. Ukraine is strategically located at the crossroads of transport routes, providing ample opportunities for foreign trade and investment. **The country has the potential to establish and maintain logistics routes between the EU, Turkey, the Caucasus, and Central Asia.** With its vast transportation infrastructure, Ukraine can efficiently transport goods by rail, sea, and road, making these routes highly competitive.

The top priorities for reconstruction are the port infrastructure for agriculture and trade, followed by energy for sustaining the economy under war conditions. The IT sector is foundational but has yet to be an immediate top priority.

The second tier involves **modernising agriculture**, meeting European standards, and navigating the global food supply chain.

The third top tier focuses on Ukraine's posture in the ongoing deglobalisation phenomenon, emphasising **societal reconstruction** to build competitiveness and resilience against external influences.

The key to Ukraine's successful reconstruction lies in aligning its social infrastructure with EU conditionalities and Western investments. This pivotal factor can ensure that the country meets global standards and attracts more foreign investments in the long run.

Black Sea port infrastructure is vital for Ukraine's reconstruction and countering Russia's goal of cutting off Ukraine's access to the Black Sea. Ukraine is critical in establishing a European front line connecting the North Sea to the Black Sea.

Due to increased interest from Germany and France in Central Asia, the European vision of the Middle Corridor will likely progress faster than the Chinese-led One Belt One Road project. China's internal focus on socioeconomic issues and complex relationships with the US and Russia may hinder the momentum of the One Belt, One Road project.

Ukraine's reconstruction is crucial for Europe's future interconnection of North-South infrastructure, with significant economic and geopolitical consequences.

The precondition of East-West interconnection is the guarantee of free navigation in the Black Sea, which can ultimately be the result of a type of thinking based on Europe's direct interdependence with Central Asia and the West's interest in integrating the Black Sea region into a winning strategic equation; however, to materialise these ambitions, a Cold War thinking is much more necessary now than being thrown by Russia into this scenario with new borders, stretching as far as Poland and Romania, at the risk of generating additional fronts for the US and weakening its presence in the Pacific.

Ukraine and Europe demand the development of joint systems of protection against cyber threats from the Russian Federation and China, which requires adopting joint political decisions. These decisions should lead to increased use of digital security products across the European continent.

It is imperative to prioritise establishing a safe and secure maritime area for civilian traffic in the Black Sea. It will significantly impact trade, reconstruction, and development in the region. Furthermore, integrating the Caucasus and Central Asia into a larger economy through the Middle Corridor promoted by Western countries is necessary. The Middle Corridor could engage India, Japan, South Korea, and Western Europe through resilient transportation to the Black Sea.

The networks present a significant chance for the Mediterranean region, with potential partners in northwest and eastern Africa. The level of connectivity between them will not only determine the economic future of Eurasia and its history. It is why **Ukraine could play a crucial role as a catalyst for the interconnection of Africa with Northern Europe.** Therefore, investing in reconstructing Ukraine and Europe's infrastructure is highly justifiable.

The United States will support and contribute to Ukraine's reconstruction while taking a new approach to geopolitics and interconnectedness in Eurasia.

Recommendations

- *Provide sufficient powerful air defence systems to protect Ukrainian ports and infrastructure in the long run.*
- *Invest in cyberinfrastructure and energy grid hardening to enable industrial production under duress.*
- *Accelerate transportation system upgrades, closing capability gaps inhibiting Middle Corridor success.*
- *Explore joint development initiatives with Black Sea littoral states to counter Russian dominance.*
- *Promote the Black Sea's hub potential connecting Africa, Europe, and Central Asia.*
- *Develop supplementary logistics infrastructure to shift more cargo off railways.*

Unlocking Ukraine's potential requires securing territorial integrity and freedom of navigation while building regional partnerships. With reconstruction supporting competitiveness, Ukraine can anchor new geoeconomic linkages.

ROMANIA'S ROLE IN SUPPORTING UKRAINE

Key issues

- *Support Ukraine's fight against the existential Russian threat.*
- *Countering Russia's global supply chain and migration disruption efforts and protecting European political resilience.*
- *Enabling Ukraine's agricultural exports through Danube ports.*
- *Managing pressure on domestic infrastructure from transshipments.*
- *Advancing mutual interests in energy security and digitalisation.*

Romania and Ukraine can work together in many areas, including transport infrastructure and economy. Romania is committed to supporting Ukraine's fight for independence, territorial integrity, and sovereignty by investing in infrastructure and boosting exports. Romania also supports President V. Zelensky's peace formula and plans to facilitate the reconstruction of Ukraine, which involves international organisations and companies.

The Russian aggression poses an existential threat not only to Ukraine but also to Europe as a whole. It is, therefore, crucial for everyone to stand firmly with Ukraine and provide the necessary assistance until the aggressor is entirely defeated.

Russia will pursue, through direct channels or proxies, provoking tensions in various regions to disrupt supply chains and hijack Western priorities for supporting Ukraine.

The blockade of grain exports from Ukraine has exacerbated a food security crisis, particularly in the Middle East and Africa, increasing the risk of famine. The overall picture suggests that the Russian Federation is putting significant pressure on certain states in Africa by bombing loading and export facilities on the Danube.

These actions have become levers for generating overlapping crises if we associate military crises with coups d'état in Sudan and Niger. Armed conflicts in Africa and famine are causing forced migration, a phenomenon that is putting pressure on Europe. Some nationalist and far-right parties backed by Moscow are gaining adherents amid anti-immigration rhetoric in a crucial election year.

In 2023, Romania facilitated the transit of 70% of all grain produced by Ukraine for export. By keeping the flow of grain exports open, Romania alleviates the pressure put by Russia on African states and implicitly on Europe but also supports Ukraine's economy. This effort puts additional pressure on the national infrastructure, and **investment in intermodal stations on the Danube is essential.**

Ukraine and Romania play a vital role in maintaining global food security, developing the Danube Port clusters and projects in the triangle of Ukraine, Romania, and the Republic of Moldova, improving railroad and port infrastructure, and jointly coordinating controls at the border checkpoints. There is a mutual interest in furthering cooperation in energy security, digitalisation, and cyber security.

Recommendations

- *Boost investment in intermodal stations and logistics infrastructure to sustain high volumes of Ukrainian grain exports.*
- *Explore the Danube and Black Sea ports' modernisation funding via EU assistance programs to reinforce food and raw materials transport capacity.*
- *Advance renewable energy partnerships, cyber collaboration, and digital connectivity to reduce dependence on Russia.*
- *Leverage bilateral chamber of commerce to promote trade and cross-border infrastructure growth.*
- *Commission feasibility study on regional rail enhancements to shift more grain and goods transport off-roads.*

THE PATH TO THE EU INTEGRATION

The EU discussed crucial support elements for Ukraine, including a four-year facility for financial assistance, technical support, and coordination efforts. Despite immediate concerns in areas such as housing, agriculture, and energy, it is essential to address these issues to ensure a resilient and geopolitically independent future for Ukraine.

Key issues

- *Ukraine has pursued full EU membership and a resilient future.*
- *Pre-accession conditionalities require significant governance and economic reforms.*
- *Leveraging Ukraine's renewable energy potential is imperative for continuing alignment with the EU Green Deal.*
- *Ukraine might fill EU supply chain gaps as a manufacturing player.*
- *Implementing recovery supporting decentralisation is crucial.*

To support Ukraine, the European Commission should progressively consider granting specific privileges before the country officially joins the EU. It could include giving Ukraine access to the single market and helping it become eligible for EU funds. These actions would speed up Ukraine's integration and post-war recovery and strengthen its partnership with the European Union.

The principles of the enlargement methodology refer to more **credibility in delivering fundamental reforms**, **stronger political leadership** and more political commitment, **dynamic process** by integration of the 35 chapters of the Acquis Communautaire into six thematic policy clusters, and **predictability**, negative and positive conditioning – annual verification of progress or stagnation.

In the accession negotiation process, according to Copenhagen criteria (1993), candidate states must achieve synergy between **economic criteria**, the **functioning of democratic institutions**, and **public administration reforms**.

The EU Commission's 2023 [Enlargement Package](#) highlights several challenges for EU enlargement policy in the context of the war in Ukraine:

- Increasing security and defence capabilities
- Reconstruction of Ukraine
- Accelerating the energy transition and independence from Russian gas
- Refugees and humanitarian action
- EU enlargement

Before the Russian invasion, Ukraine progressed in aligning with the European Union's Green Deal policies for climate and energy transition. However, the war disrupted these efforts.

Ukraine's key advantages include its proximity to the EU, abundant renewable energy resources, and a developed nuclear sector for green hydrogen production. Its strong metallurgical sector and low labour costs also position it to fill a processing gap for the EU as it diversifies from China.

To achieve the vision, Ukraine must act decisively. Implement the National Recovery Plan and Lugano Declaration and prioritise good governance, transparency, and accountability.

It's recommended to decentralise power, empower local authorities, and encourage public participation in Ukraine's green recovery. Ukraine is not just a recipient but also an active contributor to Europe's sustainable future.

Recommendations

- *Adopt EU enlargement methodology emphasising reforms, leadership, and process predictability.*
- *Prioritise public administration reform to meet EU economic, democratic, and functional benchmarks.*
- *Develop post-war renewable energy infrastructure facilitating future hydrogen exports.*
- *Tapping Ukraine's solar, wind, and hydropower potential to support the European energy transition.*
- *Provide incentives for metallurgical and technology firms to engage in onshore production for EU markets.*
- *Empower local governance and encourage public participation in supporting the war recovery.*
- *Increase accountability around spending and progress milestones regarding Lugano commitments.*
- *Join EU regional initiatives on digital, transport, and environmental priorities.*
- *Proactively communicate Ukraine's vision as a fully integrated, value-adding EU member state.*

UKRAINE'S EFFORT TOWARDS TRANSATLANTIC MEMBERSHIP

A strong Ukraine will directly diminish the threat Russia could pose to Eastern European nations and will indirectly bolster the global security order. The Ukrainian society is more united and provides broad support for NATO membership, understanding that NATO is a long-term guarantee for Ukraine's security and sovereignty.

Key issues

- *Ukraine's commitment to NATO membership requires boosting defences to meet NATO standards.*
- *Reconstructing Ukraine necessitates reforms for democratic oversight of security and intelligence.*
- *Ukraine's defence industry and military capability can be leveraged to strengthen NATO.*
- *Consensus is needed among NATO members to welcome Ukraine.*
- *Interim defence assistance must bridge gaps posed by prolonged NATO accession.*

On November 29, Mr. Kuleba announced in Brussels that Ukraine had adopted the Annual National Program for Defence and Security Sector Reforms.

The reconstruction of Ukraine also requires reform of the intelligence system and oversight of the security sector in line with democratic governance. The Security Service of Ukraine has multiple roles, the overly extensive task with multiple branches without a very logical connection, being eight times larger than MI5.

There must be a distinction between control and oversight in the intelligence community. Ukraine can consider adopting models used by countries like Norway, Belgium, and the Netherlands, where committees of experts appointed by parliament oversee the security sector.

The role of civil society was crucial in setting up independent authorities to investigate corruption. A model with a central role in civil society participation would increase confidence in the intelligence sector and resort to successful reform.

Ukraine in NATO represents a valuable investment in strategic determination and deterrence:

- Ukraine is already part of deterrence on NATO's eastern flank.
- Ukraine's armed forces are among the most capable combat forces in Europe.
- Ukraine has a unique experience in defending itself against conventional Russian troops.
- Ukraine has practical experience in combating Russian propaganda and information warfare.
- Ukraine's integration into NATO will protect investments in infrastructure and the country's reconstruction.

It is unlikely that there will be a consensus for Ukraine to become a member of NATO soon if there is a war. Additionally, even if Ukraine integrates into the EU, it may still need to receive the desired defence guarantees. In such a scenario, coalition assistance, infrastructure investments, and defence sector development are crucial factors that can contribute to Ukraine's victory. It enhances Ukraine's industrial defence capability, producing military goods that can be sold on foreign markets. Being one of the most profitable sectors, independent military industry or cooperation-based production aims to defend and strengthen the eastern flank.

Russia's invasion of Ukraine threatens European security. Supporting Ukraine's self-defence and eventual victory is imperative to protect Eastern European nations and the global security order. A united, NATO-aligned Ukraine with reformed and modernised defence and intelligence sectors will be pivotal.

Recommendations

- *Help Ukraine implement its Annual National Defence and Security Reform program, focusing on modernising NATO interoperability, maritime security, and air defence.*
- *Restructure intelligence services on Western models, prioritising efficiency and accountability.*
- *Invest in Ukraine's defence industry and joint production initiatives to provide NATO-grade equipment. Help set up export controls and protocols to enable Ukraine's participation in multinational defence projects.*
- *Expand Ukraine's existing coordination role in NATO's eastern flank defence planning. Foster inclusion of Ukrainian officers in NATO training programs.*
- *Develop a roadmap to guide Ukraine's potential NATO accession process. Concurrently, structure a NATO-affiliated security pact to meet Ukraine's nearer-term defence needs.*

Bolstering Ukraine's military and social will diminish future Russian threats. With strategic assistance, Ukraine's victory can anchor enduring European security.

RECOVERY AND REBUILDING CHALLENGES

Key Challenges

- *Brain drains and loss of human/social capital.*
- *Prevalence of corruption hindering growth.*
- *Modernising critical infrastructure.*
- *Shape a strategic vision aligned with EU/SDGs.*
- *Build climate resilience and energy security.*
- *Fostering entrepreneurship and small business.*
- *Restoring economic equality and opportunity.*

A recent [survey](#) conducted among students and teachers throughout Ukraine has revealed some significant findings. Notably, 93% of the respondents believed that a full-scale war would profoundly impact Ukraine's future development. The top three economic activities expected to drive Ukraine's economy in the next five years are agriculture and IT, each with 74% support, followed by construction at 60%.

Almost 80% of those surveyed believe that Ukraine will take three or more years to recover from the current destruction of its industrial and social infrastructure. The survey highlighted corruption as the biggest threat to recovery, along with challenges such as immigration, destruction of territory, and mining.

Industrial production in **Ukraine faces challenges related to retaining qualified human capital** and high energy costs. Culture is essential to sustainable development, yet **digitalisation and education need more support.**

Nevertheless, Ukraine still has a qualified workforce that can contribute to the rapid recovery of the economy, specifically in labour specialities in demand for infrastructure restoration and city reconstruction.

Private entrepreneurship plays a vital role in achieving global sustainability. However, **Ukraine faces challenges such as corruption, a shadow economy, loss of human and social capital, and military concerns to achieve SDGs and sustainable development.**

Education and science through civil society engagement play a pivotal role in addressing these challenges, and it is crucial that Europe support and mobilise these sectors to create a long-term sustainable projection for Ukraine. A Western fifteen-year Marshall Plan for education is essential to support human capital development in Ukraine.

Rebuilding Ukraine post-war requires modernisation and foreign financing. Investments depend on security due to geopolitical uncertainties. Sustainable development involves harmonising EU legislation, transitioning to a green, digital, and inclusive economy, and aligning with the Sustainable Development Goals.

The proposed steps for Ukraine's recovery include **creating a program encouraging small and medium-sized businesses, addressing unemployment, rehabilitating war-affected individuals, reforming the education system, and restoring critical infrastructure focusing on smart development. Energy security is also a priority, aiming for climate neutrality, reduced coal usage, and integration with EU markets. Tax reforms, a new European-style railway development, and a balanced economic and tax policy are recommended to address economic inequality and stimulate growth.**

A research project conducted in collaboration with international partners aims to support the higher education system in the context of climate change mitigation. The project involves partnering with universities from Slovakia, Spain, Romania, and Ukraine. They use the "one-click LCA" application to calculate carbon footprints and assess the lifecycle impacts of building products and organisations. The study reveals that Ukraine has a low level of popularity regarding energy certification for buildings, with only 25 large structures certified using programs like LEED and BREEAM. The research team recognises the significance of energy optimisation, especially in the context of climate change mitigation.

During the pre-war era, media content focused 87% on reporting environmental disasters, crimes, abnormal weather, and international news, with only 13% promoting active decision-making.

The research unequivocally demonstrates the media's significant role in shaping public perception of environmental issues. To improve this perception, it is imperative to increase the representation of Ukrainian scientists and foster a more comprehensive understanding of environmental threats.

The potential for Ukraine to emerge as a new European economic centre, particularly in production, logistics, and energy, depends on a proactive policy and the victory of the Western bloc in the war.

Recovery Recommendations

- *Incentivize workforce retention programs in key sectors like IT and engineering.*
- *Launch comprehensive anti-corruption initiatives across public and private sectors.*
- *Develop a 15-year Marshall Plan with the EU supporting education and human capital.*
- *Create a post-war rebuilding roadmap focused on ESG factors and SDG alignment.*
- *Prioritise climate-resilient and digitally enabled infrastructure rehabilitation.*
- *Offer a simplified tax system to destroy the shadow economy and accelerate SMB growth and job creation.*
- *Reform social security net and skills retraining programs targeting vulnerable groups.*
- *Tap media and civil society networks to promote sustainability awareness.*
- *Explore public-private partnerships to spur ethical investment in regional development.*

The "Resilience through Intersectional Cooperation" [project](#) promotes collaboration and mutual trust between Ukraine's state, military, and civil sectors. The goal is to enhance national resilience by emphasising the importance of communication and cooperation among these sectors.

Two worrying trends have been observed recently. Firstly, much pressure is being placed on Ukraine to compromise with Russia, which could have severe consequences and potentially lead to societal destabilisation. Secondly, there have been calls for early elections, which is a challenging prospect given the uncertainties surrounding the organisation of such elections. These trends are cause for concern and must be monitored closely.

Political Challenges

- *It is vital to communicate the importance of Euro-Atlantic integration to American partners while confidently navigating discussions with Democrats and Republicans. The relevance of this agenda to the upcoming US elections in 2024 cannot be overstated, and it is imperative to align with both parties in Congress and the Senate.*
- *The Black Sea's security is paramount and critical to NATO. We must stress the urgency of attaining integration across seas, which is imperative for maintaining regional stability and security.*
- *It is imperative to ensure that European partners have no doubts about Ukraine's success, particularly in the lead-up to elections that may significantly influence perceptions across the European continent.*
- *The incorporation of sustainability in the reconstruction of Ukraine is strategically important. This approach lays the foundation for a resilient future, aligning with global efforts to address environmental challenges and contribute to well-being.*

The UN-Habitat World Cities Report 2022 [reveals](#) that the world is becoming more urbanised, with the global population expected to grow in urban areas by 2050.

The European context emphasises the urgent need for viable models of urban development. These models should be able to navigate numerous challenges, such as pandemics like COVID-19, climate crises, geopolitical conflicts, and socioeconomic disparities. In this context, the digital transformation of cities appears as a decisive strategy that offers pathways to sustainability and security.

Digital technologies and public goods can enhance urban strategies to improve urban living. However, questions remain about their appropriate use to increase urban resilience and sustainability, including citizen participation, socioeconomic opportunities, and accessible infrastructure.

Digital transformation significantly impacts various fields, including promoting inclusion and equity, contributing to the local economy, and fostering decentralisation and social capital in communities. Create platform services for citizen access and encourage democracy and openness. Transform urban living globally, focusing on rebuilding conflict-affected cities. The decentralisation initiative launched in 2015 has enabled small villages, communities, and cities to become resilient and digitally advanced.

Education is critical to transforming society. Western universities are committed to helping Ukraine's reconstruction by investing in education and skill development programs for both traditional and adult learners. The focus goes beyond academics, including public service leadership skills for a comprehensive societal improvement approach.

Expanding educational access and developing human capital in Ukraine for long-term prosperity through collaboration with local universities.

CONSTRAINT ON RUSSIAN ASSETS FOR UKRAINE'S RECOVERY: LEGAL PERSPECTIVES

As Ukraine valiantly resists Russia's unlawful invasion, the global community has a moral obligation to assist Ukraine in its reconstruction and ensure justice for the affected people. According to the UN Basic Principles and Guidelines on the Right to a Remedy and Reparation for Victims of Gross Violations of International Human Rights Law and Serious Violations of International Humanitarian Law in 2005, Ukraine is obliged to provide victims with effective remedies, namely equal access to effective judicial protection, as well as to other legal remedies, including access to administrative bodies and other mechanisms, conditions, and procedures in accordance with national legislation.

The experience of other countries clearly demonstrates the importance and urgency of providing a comprehensive approach to the settlement of the issue of compensation for the losses of the civilian population in war conditions, not limited to the introduction of separate procedures for the compensation of costs for the losses of this or that property.

One of the major contributions of the international community to the implementation of this obligation is to provide funding for the realisation of this duty. Due to this, extensive measures are being taken to freeze Russian assets, with over \$300 billion currently immobilised. However, there are still legal uncertainties regarding the control and use of these sovereign assets.

In this case, it is important to establish a fair, transparent, and understandable procedure for compensating the losses suffered by Ukrainian citizens and businesses due to the war and occupation by troops, as well as to find funding for realising this compensation.

Key issues

- *Frozen Russian assets deemed sovereign property are protected under state immunity.*
- *Ukraine must overcome domestic judicial challenges impeding recovery and effective compensation for damages.*
- *Innovative legal pathways are needed to access frozen assets compared with existing examples.*
- *Multilateral consensus is required on ethical guiding principles.*
- *Strategic coordination is necessary for asset redistribution.*

We have to confirm that internally, Ukraine faces three main challenges in its justice sector, which may be considered obstacles to the realisation of effective compensation for war damages: non-enforcement of domestic judgments, lack of judicial independence, and excessive court proceedings. However, despite these obstacles, the country has made significant progress in implementing reforms, and in Ukraine, internal constraints on Russian assets have been intensively developed.

Three different seizure or confiscation mechanisms in Ukraine are available for war damages compensation: through the particular law that enabled the seizure of two Russian banks, and these seized assets were used to compensate for damaged property through the e-recovery program; the mechanisms under the law of sanctions, requiring court decisions to seize the property of individuals meeting the criteria under the law of sanctions, and a novel mechanism specifically for commercial banks linked to sanctioned individuals. Underlining the importance of existing mechanisms, the main compensation procedure must be an umbrella procedure, within which the restoration of property and non-property rights violated during the war and occupation will be carried out. At the same time, the application for compensation for the loss of any objects of civil rights provided for by the current legislation must be guaranteed and not a list defined by law or in another order.

The limitation or selective approach to determining the objects of compensation or expenses that are subject to reimbursement violates basic human rights. The compensation mechanism should provide a simplified and transparent version of the procedure for restoring the rights to housing, resuming work, and everything that ensures the possibility of a person's normal life. At the same time, there should remain a real prospect of applying for the restoration of rights that have been violated in the person's opinion, in particular, copyrights or any others that cannot be classified as top priorities.

How do we use external funding for compensation for war damages?

A strategic realignment of national legal frameworks and the unification of international provisions are needed to effectively tap seized resources while upholding the rule of law. Complexities arise mainly when frozen assets are considered sovereign property protected under state immunity precedents. Nonetheless, innovative legal pathways likely exist and may be developed in the near future.

The legal complexities surrounding the utilisation of these assets for Ukraine's benefit emphasise the need to distinguish between private and sovereign assets. In the case of private assets, the experience of the US plays a pivotal role and may be used as an option.

The US's experience shows that almost 60 individuals and companies have faced charges resulting in arrests, extraditions, guilty pleas, and convictions. The KleptoCapture Task Force has seized, restrained, or limited over \$500 million in assets, with ongoing forfeiture proceedings against substantial properties. \$5.4 million belonging to a sanctioned oligarch was forfeited and transferred to the State Department, supporting Ukraine's veteran recovery efforts. The main ways for the assets to be made with funds obtained through criminal and civil forfeiture.

National regulations depend on policymakers and allow updating the existing approaches to the constraints manner. Therefore, the first issue goes to the national legal framework for using the assets and for implementing the compensation mechanisms. **The constrained assets should be collected by the national authority and allocated equitably, addressing not only Ukrainian recovery efforts but also encompassing victim compensation, national development, and mitigating the aftermath of the conflict inside this state.**

The development of clear provisions for property liability and the need for a new understanding of the legal basis for compensation give a clearer and more transparent basis for compensation of damages. A shift from restitution to a reparation tort model, advocating for guiding principles on the tort of armed aggression. It is important to include concepts like countermeasures, the constraint of property, and conditions of the tort. It is necessary to define countermeasures for asset recovery, joint liability, and the legal effect of due care in the context of armed aggression.

Unified international provisions are needed to address the manifest injustice and legal uncertainty arising from the conflict. The existing ways of compensation mechanisms, for instance, through the European Court of Human Rights, hold the potential to secure Ukraine's recovery, as well as potential judgments against Russia in inter-State cases lodged by Ukraine, particularly those that address systemic human rights violations committed by Russia during the war in Ukraine.

However, implementing ECHR judgments to Ukraine's recovery plan addresses issues such as non-enforcement of court decisions and other violations of the Convention on Human Rights. Through implementing ECHR judgments against Russia in interstate applications, innovative solutions like linking them to a special fund for compensation are suggested.

Unified approach mechanisms must be defined for seized asset management and victim compensation. For example, G7 nations spearhead an international working group to define unified mechanisms for seized asset management and victim compensation. The frameworks drafted should balance sustainable development priorities, ease of implementation, and justice imperatives such as the rule of law.

Designating Russian oligarch resources for Ukraine's rebuilding also warrants consideration, given precedence. To circumvent roadblocks, an initial pilot program focused on lower-risk asset categories could help establish feasibility and build momentum. In tandem, repurposing the US' proposed REPO Act to spur near-term reconstruction financing could aid Ukraine's urgent needs.

While asset seizures represent a meaningful economic problem for Russia, realising their full potential to serve Ukraine requires surmounting complex legal and political obstacles. Success demands strategic collaboration by coalition nations to pioneer innovative yet actionable solutions. Financial sanctions and export controls impede Russia's ability to continue its aggressive actions. The long-term prize is structuring sustainable outcomes centred on human dignity and the rule of law.

For example, G7 nations spearhead an international working group to define unified mechanisms for seized asset management and victim compensation.



BEYOND CONFLICT: UKRAINE'S JOURNEY TO RECOVERY, REFORM AND POST-WAR RECONSTRUCTION

Within the project:

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



HASSO PLATTNER
FOUNDATION



CONFERENCE AGENDA

DISSEMINATION EVENT - NOVEMBER 29, 2023

10:00 – 17:30 (EET: Bucharest/Kyiv) | 09:00 AM – 04:30 PM (CET: Brussels) | 03:00 AM – 10:30 AM (EST: Washington)

10:00 – 11:40 Opening remarks

- Moderator: **Assoc. Prof. Dr. Silviu NATE** - Director of the Global Studies Center, LBUS & Project director, Romania
- 10:05 - 10:10 **Dr. Habil, Prof. Raluca SASSU**, Lucian Blaga University of Sibiu (LBUS), Vice-rector
10:10 - 10:15 **Prof. Volodymyr BUGROV**, Taras Shevchenko National University of Kyiv, Rector
10:15 - 10:25 **Viorel COJOCARU**, Director for Eastern Europe and Central Asia, Ministry of Foreign Affairs, Romania
10:25 - 10:35 **HE Ihor PROKOPCHUK**, Ambassador Extraordinary and Plenipotentiary of Ukraine in Romania
10:35 - 10:45 **Dmytro NATALUKHA**, Member of Parliament of Ukraine, Chairman of the Economic Affairs Committee of the Verkhovna Rada, Ukraine
10:45 - 10:55 **Dr. Sergiy NIKOLAYCHUK**, Deputy Head of the National Bank of Ukraine
10:55 - 11:05 **Serhiy LOBOYKO**, Chairman of the CID expert board, **Kateryna IVANCHENKO**, Head of CID, Ukraine
11:05 - 11:20 *Keynote speech*, **Mr. Stefan SCHLEUNING**, Head of Cooperation of the EU Delegation to Ukraine
11:20 - 11:30 **Dr. Habil, Prof. Andriy DLIGACH**, Taras Shevchenko National University of Kyiv, Ukrainian entrepreneur, scientist, and civic activist. Founder of the Advanter Group of companies and the international business community Board, co-founder of the Center for Economic Recovery, Ukraine
11:30 - 11:40 **Assoc. Prof. Dr. Eduard STOICA**, Faculty of Economic Sciences, LBUS, Vice-dean

Questions to address:

*How can we effectively address the new geopolitical challenges and achieve sustainable development goals in Ukraine and the region during the post-war period?
How can regional actors enhance their joint coercive profile with the support of the EU, NATO, and Western partners to strengthen regional security and stability?*

11:40 – 13:10 Panel 1 - Economic and Infrastructure Perspective for the Post-war Renovation of Ukraine

- Moderator: **Dr. Habil., Prof. Ganna KHARLAMOVA (Ukraine)**
- 11:40 - 11:50 **Dr. Frances PINTER**, CEU Press, Vienna and Budapest, *"SUPRR – SUPPORTING UKRAINIAN PUBLISHING RESILIENCE RECOVERY THROUGH INTERNATIONAL COLLABORATIONS"*
11:50 - 12:00 **Dr. Oleksandra HUMENNA**, Researcher at the Institute of Education Content Modernization; Lecturer of the National University of Kyiv-Mohyla Academy, Coord. of the International Sustainability Academy (Assoc. of Sustainable Development Experts, ASDE); an expert within the UNDP project "SDG Bridge", *"THE MAIN CHALLENGES OF THE RECOVERY OF UKRAINE BASED ON SUSTAINABLE DEVELOPMENT"*
12:00 - 12:10 **Dr. Antonia COLIBĂȘANU**, Senior Analyst & COO at Geopolitical Futures (USA) & Lecturer at SNSPA, Romania, *"THE CHALLENGES FOR REBUILDING UKRAINE - CONSIDERING GEOECONOMIC RISKS"*

- 12:10 - 12:20 **Dr. Svitlana DELEHAN**, Assoc. Prof, Director of the Center for Interdisciplinary Scientific Research of Uzhhorod National University, Ukraine, *"STUDY OF THE STATE OF ENVIRONMENTAL INFORMATION SECURITY OF UKRAINE IN THE PRE-WAR PERIOD AND ASSESSMENT OF THE CONSEQUENCES OF ENVIRONMENTAL INFORMATION MANIPULATIONS IN VIEW OF CHANGES IN THE GEOPOLITICAL LANDSCAPE AND NEW STRATEGIC RISKS"*
- 12:20 - 12:30 **Dr. Habil., Prof. Andriy STAVYTSKYI**, Taras Shevchenko National University of Kyiv, project expert. *"CONCEPT OF SUSTAINABLE DEVELOPMENT AND POST-WAR RENOVATION TILL 2030 IN UKRAINE"*
- 12:30 - 12:40 **Leonela LECA**, Senior Analyst at GLOBSEC (Bratislava) and the GSC, LBUS, Romania, *"UKRAINE'S CONTRIBUTION TO ENABLING EU'S RESILIENT GREEN ENERGY TRANSITION AND SUSTAINABILITY"*
- 12:40 - 12:50 **Dr. Nikolay NAZAROV**, Director of Research Center for Regional Security, Sumy, Ukraine, *"NATIONAL RESILIENCE AND POST-WAR RECONSTRUCTION OF UKRAINE"*
- 12:50 - 13:10 **Discussions (Q&A Session)**

Questions to address:

Considering the global consequences of the war, how can we develop a comprehensive concept of sustainable development and post-war renovation until 2030?

How can the index of SDGs implementation in Ukraine be accurately assessed, considering the stability and reliability of the national security system?

Reflecting the changed geopolitical landscape and new strategic risks, what strategies and policies can be proposed to ensure Ukraine's energy security in the post-war period?

What are the optimal policy tools and strategies for enhancing regional interconnectivity in energy, technology, business, infrastructure, and institutional sectors in the post-war context?

13:10 – 13:30 Coffee-break

13:30 – 14:30 Panel 2 - Constraint on Russian Assets for Ukraine's Recovery: Legal Perspectives

Moderator: **Dr. Habil., Prof. Iryna IZAROVA (Ukraine)**

13:30 - 13:40 **Illia CHERNOHORENKO**, DPhil c., MSt (Oxon), LL.M (Queen Mary, London), BCL, LL.M, PhD c. (Kyiv); former Director-General at the Ministry of Justice of Ukraine, *"IMPLEMENTATION OF ECTHR JUDGEMENTS IN THE CONTEXT OF POST-WAR RECOVERY OF UKRAINE"*

13:40 - 13:50 **Roman MAYDANYK**, Full Prof., Dr. Sc. (Law), ELI Fellow, British Academy Professorial Research Fellow, and Professor of Civil Law at Taras Shevchenko National University of Kyiv, Ukraine, Member of the Consultative Committee of the Supreme Court, Ukraine; Member of the Science Consultative Committee of the Chairman of the Verkhovna Rada of Ukraine *"THE TORT OF ARMED AGGRESSION PRINCIPLES APPLIED BY THE RUSSIAN FEDERATION AGAINST UKRAINE"*

13:50 - 14:00 **Michael KHOO**, Chief of KleptoCapture Task Force, US Department of Justice, USA

14:00 - 14:05 **Dr. Henriette BOSCHEINEN-DUURSMA**, Paris Lodron Universität Salzburg, Austria

14:05 - 14:15 **Jared C. KIMBALL**, Resident Legal Advisor, U.S. Department of Justice (OPDAT) U.S. Embassy - Kyiv, Ukraine, US Department of Justice, USA

14:15 - 14:30 Discussions (Q&A Session)

Questions to address:

How can Ukraine promote sustainable justice, dispute prevention and resolution in the post-war period to increase trust in the judiciary and mutual recognition of judgments within the E.U.?

How can we effectively freeze and manage Russian assets to ensure they are available for compensation for war damages in Ukraine?

What legal and diplomatic measures can be taken to freeze Russian assets as a means of holding Russia accountable for its role in the conflict in Ukraine?

How can the frozen assets of Russia be channelled into projects and initiatives aimed at rebuilding and reconstructing the areas affected by the conflict in Ukraine?

14:30 – 15:40 Panel 3 - Ukraine's Paths Towards Euro-Atlantic Membership

Moderator: **Assoc. Prof. Dr. Silviu NATE (Romania)**

- 14:30 - 14:40 **Dr. Habil., Prof. Gabriela-Melania CIOT**, Head of *European Paradigm* Doctoral School at the Babes-Bolyai University; former State Secretary for European Affairs (MFA), Romania, *"RECONSTRUCTION AND PREPARATION FOR UKRAINE'S ACCESSION TO THE EU"*
- 14:40 - 14:50 **Dr. James J. CARAFANO**, Senior Counselor to the President and E.W. Richardson Fellow, International Engagement, The Heritage Foundation, USA, *"FREE AND OPEN SPACES-THE GLOBAL IMPACT OF UKRAINE RECONSTRUCTION"*
- 14:50 - 15:00 **Dr. Silviu PAICU**, Researcher at *Mihai Viteazul* National Intelligence Academy, Romania, *"REFORMING INTELLIGENCE IN UKRAINE: THE PAST, PRESENT, AND FUTURE"*
- 15:00 - 15:10 **Vira KONSTANTYNOVA**, international security expert, former Foreign Policy Adviser to the Chairman of the Verkhovna Rada of Ukraine (2019-2021), *"STRENGTHENING UKRAINE'S INTERACTION WITH NATO AND CHALLENGES AHEAD: FROM VILNIUS TO WASHINGTON SUMMIT"*
- 15:10 - 15:40 **Discussants (Q&A Session)**
Larisa MATEYEVA, director, Charitable Foundation "Ukrainian Renovation", Ukraine
Vasyl YURCHYSHYN, Director of Economic Programs, Razumkov Centre, Ukraine
Lada ROSLYCKY, Founder & Managing Partner, Black Trident Defense & Security Consulting Group
Galyna ZELENKO, Head of the department of political institutions and processes, Kuras Institute of Political and Ethnic Studies, National Academy of Science, Ukraine

Questions to address:

*What are the main challenges for Ukraine's EU and NATO integration?
How should an integration roadmap look like?
How could external actors best support Ukraine?*

15:40 – 16:00 Coffee-break

16:00 – 17:00 Panel 4 – SDG's and Building Resilience as Guiding Principles for the Post-war Ukraine Reconstruction

Moderator: **Dr. Habil., Prof. Razvan SERBU (Romania)**

- 16:00 - 16:10 **Alina O'CONNOR (MBA)**, Senior Director, Strategic Programs & Social Impact at Cornell University, USA, *"EDUCATION TO ENHANCE INDIVIDUAL LIVES AND SOCIETY"*
- 16:10 - 16:20 **Dr. Victoria VDOVYCHENKO**, Program Director for Security Studies, Center for Defence Strategies, Ukraine, *"UKRAINE IN WAR: IS THERE A WINNING PERSPECTIVE AND WHAT IS THE STRATEGIC GOAL OF IT?"*
- 16:20 - 16:30 **Assoc. Prof. Dr. All KOZHYNA**, Public Management and Administration Department, National Aviation University, Ukraine, *"DIGITAL TRANSFORMATION FOR SHAPING AN URBAN RESILIENCE, SUSTAINABILITY AND RECOVERY"*
- 16:30 - 17:00 **Discussions (Q&A Session)**

Questions to address:

*How can Ukraine align its post-war reconstruction efforts with specific SDGs to ensure long-term sustainable development?
What role can international partnerships and aid play in supporting Ukraine's SDG-based renovation efforts?
How can Ukraine balance immediate reconstruction need with long-term sustainable development objectives within the SDG framework?
What are Ukraine's key challenges and opportunities in implementing SDGs post-war, particularly in conflict-affected regions?*

17:00 – 17:30 Concluding remarks

Discussants:

Young generation: Students of Taras Shevchenko National University of Kyiv & Lucian Blaga University of Sibiu.

Business circles: PwC Ukraine, PJSC "KPMG-Audit", "Crow Erfolg Ukraine" LLC.

Academia representatives: Kharkiv National University of Economics named after S. Kuznetsa, Military Institute of Taras Shevchenko National University of Kyiv, UKMA.

Expert circles: National Institute for Strategic Studies, ANYS NGO, IRZ, Institute of Industrial Economics of National Academy of Sciences of Ukraine, Institute of Economics and Forecasting of the National Academy of Sciences of Ukraine, SE "Ukrpromzovanshekspertiza", Institute of Higher Education of the National Academy of Educational Sciences of Ukraine, Kuras Institute of Political and Ethnic Studies of the National Academy of Sciences of Ukraine.

Government of Ukraine: Verkhovna Rada (Parliament) (Ukraine), President Office (Ukraine) | Embassy of the Republic of Bulgaria.