Position of the Centre of United Actions on the post-war reconstruction of Ukraine
As of April 2023, the total amount of war-related damages is estimated at $147.5 billion, of which 54.4 billion are damaged or destroyed residential buildings, 36.2 billion — infrastructure, and 8.9 billion — damage to the agricultural sector. It is an approximate assessment that can be used for reconstruction planning.

The views of the society on the matter are quite clear. According to the survey conducted at the request of Transparency International Ukraine, 76% of the population and 78% of business representatives advocate for the decentralization of the reconstruction process. Also, 60% of the population and 68% of businesses support project-based reconstruction assistance. They also call for transparency of information about the reconstruction and as much involvement in the decision-making process as possible.

Reconstruction must become the quintessence of Ukraine’s victory in the war against the aggressor. As a country, we must not only repair and restore what has been destroyed or damaged but also create something better than before. For this, we need quality data and political will to rely on this data.

In the context of public discussion of the framework within which the government should plan and implement reconstruction, the analytical and advocacy Centre of United Actions publishes its position on the principles and approaches we believe are necessary to apply in the process of planning and implementing reconstruction.
Timeliness

Real full-fledged reconstruction of the country is possible only after Ukraine’s victory in the war and after the end of hostilities on its territory.

Given the limited resources, the state cannot rebuild frontline communities and deoccupied territories nearby while hostilities continue on these territories, as there is a high probability that what is rebuild will be destroyed again and the funds will be wasted.

Prominent examples to prove this point are the shelling of Tsyrkuny territorial community (Kharkiv oblast), which participates in experimental reconstruction, and the flooding of territorial communities in Kherson oblast after Russia blew up the dam of Kakhovka HPP.

Rapid reconstruction may only be considered with regard of critical/important infrastructure and facilities that are urgently needed here and now. Everything else should be rebuilt after the war when the required data and resources are available. As long as the war continues, all resources must be directed towards victory and meeting the essential needs of the civilian population and the Armed Forces.
Efficiency

Due to limited resources, the success of the reconstruction will depend on efficient resource management: achieving maximum results with minimal costs.

According to the principle declared by the government, territorial communities should be reconstructed not the way they were before the destruction, but better: to meet the actual needs of citizens at the time of reconstruction and the perspective of European integration.

The decision-making process for reconstruction should be decentralized. As much authority as possible should be delegated to local self-government bodies. Local self-government bodies should also be responsible for its implementation. Community leaders should be the ones to request reconstruction and receive resources (including financial) for its implementation. In the territories that have been occupied since 2014 and where military-civil administrations operated, the role of local self-governance should be performed by specially created bodies that will be accountable for the reconstruction process to the community.

At the community level, it is essential to involve the inhabitants in the reconstruction since they are its core beneficiaries. This involvement should be present at all stages — from formulating requests for reconstruction in the community to monitoring its implementation. This will not only make the process more transparent but also help to genuinely understand the needs of the communities, inform people about the plans, take the interests of different stakeholders into account, reduce the risk of corruption, and increase trust in the reconstruction process and the state.

Following the same principle, state infrastructure should be reconstructed: requests should be formulated by state authorities according to their expertise.

Currently, the elites in power concentrate all decisions and resources at the national level, particularly in the newly created Ministry for Community Development, Territories, and Infrastructure of Ukraine. This only alienates reconstruction from territorial communities and people. Recently, centralization has been reinforced further: the Cabinet of Ministers created positions of deputy ministers and heads of regional state administrations responsible for the reconstruction.

The role of the state in the reconstruction process is crucial at a much higher level: modeling the structure of the economy, taking into account the perspectives of national reforms, as well as European integration commitments and future standards.
Data-driven decision making

For high-quality planning and implementation of the reconstruction, the government needs a unified and comprehensive system of data operated by government bodies.

First and foremost, it is data on the number of people, their age, territorial distribution, profession, and life plans. No less important is to have data on the plans of displaced businesses, the number of damaged and destroyed housing and infrastructure. Based on this data, the government will be able to understand the exact scale of damage, assess requests for reconstruction for compliance with real needs, and monitor the implementation of reconstruction.

Currently, the state operates with low-quality data, and there is no unified system for collecting and analyzing reconstruction data integrating all government bodies. Each central executive body has its own data collection system which does not provide information to aggregated databases needed by other authorities. Moreover, data in different systems often do not match, and the main authority engaged in collecting and analyzing data of any kind is the Office of the President of Ukraine, which even has no authority to do this. As a result, the state operates with very rough and, in some cases, possibly fabricated information on damages and rapid reconstruction that is presented to partners and donors to get assistance.

After the Ukraine Recovery Conference in London, the digital platform DREAM should be launched, where all information about the reconstruction of infrastructure damaged or destroyed by war will be collected. However, such a system will ensure only monitoring — relative publicity and control by partners, donors, NGOs, citizens, etc. It does not solve the problem of data collection and analysis for reconstruction planning.

For planning a full-scale reconstruction, a system is needed that covers all stages — not only documenting damage and automatically calculating the damage costs based on some parameters, but also the information necessary for reconstruction planning. It should integrate all state registers and databases, to which all central executive bodies should have access when making decisions regarding reconstruction. Data for the system should be supplied by people who are directly responsible for infrastructure or facilities at a particular level (communities, raions, or oblasts). To properly assess the damage, it is necessary to visit the premises, inspect and analyze their condition, and that can only be done by the on-site representatives of the unified system of data collection and analysis.
Reconstruction must be accessible and fairly distributed among those who really need it and where it will be socially and economically feasible.

Fair competition between territorial communities and unified requirements for receiving funding will have the most significant impact on the reconstruction outcomes. The struggle between territorial communities for access to limited resources must be conducted according to clearly defined rules for each level (territorial community, raion, oblast), with uniform requirements for projects, budget calculations, etc. In this respect, the government must ensure equal access to resources, preventing cases where most of the reconstruction resources are taken by a minority of those who need them.

It is crucial that funding for specific reconstruction projects goes directly to local community budgets. If funds go through ministries or other state institutions, the risks of discretion, pressure on local governance, and high-level corruption will persist.

In the course of the implementation of reconstruction projects, budget funds should go to local economies: materials, contractors, and labor should be of Ukrainian origin and have a certain level of localization. This will not only give a boost to the economic power of communities but also motivate companies to develop and meet international quality standards.

Additionally, the National Bank must develop mechanisms to prevent territorial communities and businesses from withdrawing abroad funds received for reconstruction. The inflow of reconstruction funds into the economy must be thoughtful and gradual. A reckless increase in the money supply (both national and foreign currency) will affect the exchange rate (and thus purchasing power), which will have a negative impact on both businesses and the banking system.