# TOWARDS A SUSTAINABLE RECONSTRUCTION OF UKRAINE:

## YOUTH PERSPECTIVES FROM EUROPE

*VISION PAPER*

EUROPEAN YOUTH PARLIAMENT

Schwarzkopf Foundation
YOUNG EUROPE

# Executive Summary

In the context of Ukraine's need to begin planning reconstruction efforts before the end of the russian war of aggression that was initiated in 2022 against them, a group of passionate young Ukrainians and Europeans was brought together to discuss their visions for a sustainable rebuilding process with a long-term focus.
The European Youth Parliament (EYP) initiated this project with support from the E.ON Foundation.

20 young people from nine European countries, including young Ukrainians, between 17 and 26 years of age were selected to take part in the project as "Rebuild Ukraine Ambassadors". Kicked off by the "Rebuild Ukraine Lab" in January 2023, the Ambassadors worked in groups to develop their visions for the sustainable future of Ukraine in six key focus areas. The process was facilitated by Ukrainian EYP Alumnae Anastasiia Ianovytska, Mariam Kunchuliya, and Natalia Senatorova.
This vision paper, launched on 5 July 2023 in Berlin, presents their formulated visions and ideas for a brighter future for Ukraine and its people.

The group who focused on Socially Sustainable Urban Planning envisions a Ukraine which makes safe and sustainable housing available for those of all social positions. They hope for urban planning which can create accessible and inclusive cities in which local small and medium enterprises can thrive. The Green Mobility and Public Transportation group continues the themes of accessibility and inclusivity, presenting visions of a Ukraine which has attractive public transport systems that connect people within cities and between regions.

Reconstructed Public Institutions would ideally work together with civil society to improve the socio-economic situation of all in Ukraine, according to the group focused on this area. They would be aligned with SIGMA principles of good governance in public administration and retain skilled professionals to maintain this revised public sector. In line with these long-term visions, the Energy Security and Efficiency group lays out ideas for a Ukraine whose energy resources are diversified and modernised for a greener future. This would be complemented by secured energy reserves and updated infrastructure.

The group on the Reconstruction of the Agricultural sector envisions production being stabilised by the decontamination of soil and water resources. They hope for a modernised agricultural sector, founded upon embracing new technology, legislating sustainably, and supporting education to close the agricultural skill gap.
The Financial Sustainability group focuses on a rebuilt Ukraine which attracts foreign businesses while protecting its citizens and natural resources. They also envision a resilient economy which becomes a force in the advancement of the European technology sector.

Beyond the joint determination of young Ukrainians and Europeans to conceive a sustainable future for Ukraine, based on a long-term approach and an exchange between different nationalities, this project is a message of hope and solidarity. Through their commitment, all the people involved in this project express that they are and will continue to stand alongside the people of Ukraine.

*The views and opinions expressed in this vision paper are those of the authors and do not necessarily reflect the views or positions of the European Youth Parliament and the Schwarzkopf Foundation Young Europe.*

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# INTRODUCTION

## Introduction to the Rebuild Ukraine Ambassadors Programme

The “Rebuild Ukraine Ambassadors” project aimed to give a platform to young perspectives on the country’s reconstruction following the russian war of aggression that was launched against Ukraine in February 2022

War is destructive to existing systems and infrastructures but this can also offer opportunities for positive change. Even though the war is still ongoing, reconstruction in certain regions of Ukraine has already begun. A sustainable reconstruction process with a long-term focus can enable modernisation, innovation, and less dependence on exhaustible natural resources. Such positive change is best enacted in a process that involves young civil society, which is why we initiated the “Rebuild Ukraine Ambassadors” programme.

Focusing on the issues of economic recovery with social and environmental considerations in the context of Ukraine’s post-war reconstruction and rapprochement with Europe, the “Rebuild Ukraine Ambassadors” are 20 young Europeans who are passionate about making a meaningful contribution to Ukraine’s recovery. They range in age from 17 to 26 and study or work in various fields that impact their perspectives in differing ways.

More than half of the ambassadors are Ukrainian while the rest come from all over Europe. As such, this publication is a product of Ukrainian-European cooperation that wishes to support Ukraine, encourage youth to reflect and take action, and discuss their ideas with decision-makers.

This publication therefore summarises a youth-driven vision for a sustainable reconstruction of Ukraine focusing on specific policy areas. It offers a perspective of an integrated future between the European Union, Ukraine, and countries of the Eastern Partnership.

## Envisioning a Sustainable Ukrainian Reconstruction

The programme kicked off with the "Rebuild Ukraine Lab", a three-day workshop that gathered young ideas on how Ukraine should be rebuilt. This workshop took place in a hybrid and cross-border format on 20–22 January 2023. Due to difficulties arising from the war with regard to travel and general accessibility, the best path to a successful event was to have two physical hubs: one in Warsaw, Poland and one in Lviv, Ukraine. The participants also engaged with the event programme in a digital format, which ensured accessibility as well as cooperation between participants at the two different hubs.

As a result of this process, the "Rebuild Ukraine Ambassadors" have come up with innovative ideas on how to revitalise Ukraine's economy and society post-war while striving for sustainability. They are divided into six groups focusing on the following topics:

**Socially Sustainable Urban Planning,**

**Green Mobility & Public Transportation,**

**Reconstruction of the Agricultural Sector,**

**Energy Security & Efficiency,**

**Reconstruction of Public Institutions, and**

**Financial Sustainability.**

Throughout this process, the Ambassadors have been guided by three Ukrainian facilitators Anastasiia Ianovytska, Mariam Kunchuliya and Natalia Senatorova, who are alumnae of the EYP network.

Please note that throughout this paper, we will be using the term "russia" when referring to the Russian Federation. This is a way of expressing the Ambassador's disdain of russian acts of unprovoked violence vis-à-vis Ukraine.

The "Rebuild Ukraine Ambassadors" programme is part of the Climate Youth Action Plan, which aims at encouraging young people across Europe to explore, discuss and ultimately bring about climate action. It is generously sponsored by the E.ON Foundation and the European Union.

CLIMATE YOUTH ACTION PLAN

REBUILD UKRAINE LAB 2023

# SOCIALLY SUSTAINABLE URBAN PLANNING

**Mathieu Lecorney**, France **Yuliia Pavlenko**, Ukraine
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## 1. Preamble

Ukraine being invaded by russia has led to many Ukrainians losing their home and needing affordable housing and infrastructures. This has resulted in a housing crisis, with the cost of living rising and inclusivity becoming increasingly important as individuals are affected by the war. The government, private organisations and individuals must work together to provide safe, sustainable and affordable housing options in favourable city environments.

The focus of this chapter is people's needs at a local scale and in a socially sustainable perspective. Ukraine's inhabitants, in particular vulnerable people and veterans, must have sufficient housing and adequate utility networks to meet their basic physical needs and rights in the long run.

It is important to design local policies of urban planning together with citizens, and in this to focus on transparency and accountability.

The target audience to support and implement these policies is the European Committee of the Region, the European Alliance for Cities and Regions for the Reconstruction of Ukraine, the State Fund for Support of Youth Housing Construction, the Ministry for Temporarily Occupied Territories and Internally Displaced Persons, the Ministry of Social Policy and the local governments of Ukraine.

## 2. Summary

Cities in Ukraine face severe challenges such as damaged infrastructure, reduced access to essential services and displacement of communities. Socially sustainable urban planning can help address these in the long run by developing resilient infrastructures and essential services such as healthcare and education. It is also crucial to address the lack of social housing. In the past year alone, almost 8 million people have been internally displaced, and many of them experience a lack of affordable housing that meets basic physical needs. The lack of transparency and accountability in urban and construction policy, as well as that of civic participatory practices and inclusivity, must be addressed.

They affect not only the development of cities but also the physical and psychological wellbeing of people. Inclusive urban design creates accessible and inviting public spaces for all, fostering a sense of community and promoting reconciliation between communities affected by war. Urban planning can play a pivotal role in driving economic development and growth at the level of Ukraine's regions towards sustainability. The creation of inviting, functional and efficient spaces for businesses and residents can result in an environment favourable to job creation. Moreover, a compassionate approach that includes reintegration programs for veterans can result in a multitude of benefits for this vulnerable and valuable demographic.

# 3. Analysis

According to the International Organization for Migration, over 20% of Ukraine's estimated 40 million citizens are currently internally displaced people and 22% of these live in housing that is not adapted to winter conditions[1]. The European Commission indicates that 4 million Ukrainians have been granted protection in EU countries.[2] The UN High Commissioner for Refugees reports that 2.6 million Ukrainians are unemployed.[3] This represents 25.8% of the working population and an increase of 16% from 2021.

The war has led to the destruction or damaging of nearly 3 million individual and apartment buildings. The housing problem is exacerbated by the low levels of energy efficiency of residential buildings and the poor condition of municipal infrastructure: for example, 40% of heating networks are emergency structures and garbage disposal systems lack capacity.[4] Heating services need repair and are operating in an emergency state. Because vulnerable groups are especially affected by poor-quality housing conditions, it is especially important to pay attention to this.

At the same time, Ukraine's economic development is hindered by the significant number of skilled workers who have moved abroad, making it challenging for businesses to find the talent they need.

Poor urban planning exacerbates the situation, leading to overcrowding, inadequate living conditions and limited access to education and employment opportunities. To address this challenge, Ukraine needs to focus on improving urban planning to create more liveable environments as well as to support entrepreneurship, innovation and diversity, which can help attract and retain skilled workers, driving economic growth and development.

The Recovery Plan of Ukraine developed by the National Council for the Recovery of Ukraine from the Consequences of the War includes a green component, addressing sustainability and the restoration of natural ecosystems.[5] The support of European cities twinned with Ukrainian ones for reconstruction projects for destroyed or damaged facilities is very promising and needed. In addition, the provision of housing purchased by the State Fund for Youth Housing Construction would be beneficial, as well as the spending of humanitarian assistance for the temporary residence of affected people and targeted payments to citizens who have provided shelter for internally displaced people. Initiatives like RecreateUa[6] and Urbanyna[7] are popularising sustainable urban planning and local development in Ukraine.

[1] International Organization for Migration (IOM) (2022) Ukraine — Internal Displacement Report — General Population Survey Round 8 (17 - 23 August 2022). Available at: https://dtm.iom.int/reports/ukraine-internal-displacement-report-general-population-survey-round-8-17-23-august-2022?close=true [Accessed 22 Jun. 2023].
[2] European Commission (2023). Temporary protection for those fleeing Russia's war of aggression against Ukraine: one year on. Available at: https://ec.europa.eu/migrant-integration/library-document/temporary-protection-those-fleeing-russias-war-aggression-against-ukraine-one-year_en#:~:text=Triggered%20for%20the%20first%20time,European%20Union%20(EU)%20countries [Accessed 22 Jun. 2023].
[3] United Nations High Commissioner for Refugees (2022). Ukraine Refugee Situation. Available at: https://data.unhcr.org/en/situations/ukraine [Accessed 22 Jun. 2023].
[4] [UKR] Report on Internal Displacement in Ukraine, General Population Survey Round 9 (n.d.). Available at: https://dtm.iom.int/sites/g/files/tmzbdl1461/files/reports/IOM_Gen%20Pop%20Report_R9_IDP_FINAL_UKR%20version%20%281%29.pdf [Accessed 22 Jun. 2023].

Nonetheless, key challenges to socially sustainable reconstruction and urban planning remain:

- There is a lack of affordable social housing and no regulation of it in practice, which prevents internally displaced people from meeting their basic physical needs.
- There is insufficient transparency and awareness of urban planning activities because of the complexity and duration of obtaining permissions, which leads to illegal construction and the destruction of historic buildings.
- Insufficient analysis of community needs, non-transparent construction processes and public procurement procedures, and lack of popular education about urban planning and how communities are built lead to ignorance of citizens' needs.
- The key actors who can help address these challenges include the State Fund for Support of Youth Housing Construction, the Ministry for Temporarily Occupied Territories and Internally Displaced Persons, the Ministry of Social Policy and local authorities.

[5] Ukraine's National Recovery Plan National Recovery Council. (2022)· Available at: https://uploads-ssl.webflow.com/621f88db25fbf24758792dd8/62c6d255dff3f65c7b7e6539_Construction%2C%20urban%20planning%2C%20modernization%20of%20cities%20and%20regions.pdf [Accessed 22 Jun. 2023].
[6] Recreateua.com. (n.d.). Re:Create Ukraine. [online] Available at: https://recreateua.com/ [Accessed 22 Jun. 2023].
[7] Urbanya. (n.d.). Urban Recovery Guide. [online] Available at: https://www.urbanyna.com/en/urban-recovery-guide [Accessed 22 Jun. 2023].

# 4. Vision of the Group

## Basic physical needs are met through safe and sustainable housing.

Local authorities ensure that modern energy-efficiency technologies are implemented, as well as heat modernization and safety standards in the reconstruction of destroyed buildings and the creation of new ones.All new buildings include bomb shelters and safety infrastructure in their design in case of future military action. Local authorities, through calls for tender, ensure the resilience of networks for the supply of drinking water, telecommunications, electricity and transport.

## There are urban planning policies for social and affordable housing that are thoroughly regulated, transparent and preventive.

National authorities create a comprehensive legal framework in order to organise and promote social and sustainable housing by supporting local communities in developing their own housing stock. Locally, the relevant authority includes citizens in the designing of their local urban areas and housing programs in order to make this transparent, participatory and accountable. The representatives of the state in the regions implement a system for the monitoring, evaluation and support of shelter and crisis housing facilities, including through data collection, dissemination of best practices, international exchange of experience and professional development.

## Urban planning policies are favourable to the development of local small and medium-sized enterprises.

> Local authorities contract more eco-industrial parks, develop mixed communities and zones, and encourage citizens to purchase locally produced goods. Local authorities create and support programmes for veterans in order to facilitate their return to civilian life and acquiring skills needed on the labour market.

## Urban planning integrates people and contributes to a sense of community.

> Displaced people who return are provided with needed help concerning the reconstruction or renovation of their apartments and houses. Local authorities, by deeply focusing on people's voices and calling upon local artists, can in turn shape the local identity.

## Urban planning makes cities accessible and inclusive.

> Local authorities listen to citizens and allow them to speak up so that every inhabitant feels safe and capable, without being limited by their age, physical capacities, gender or income. Citizens are occasionally drawn by lot to participate in citizens' assemblies whose composition reflects the diversity of the local population. The needs of vulnerable groups are especially monitored in urban planning and met by providing them support to access social housing.

# GREEN MOBILITY & PUBLIC TRANSPORTATION

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## 1. Preamble

While a significant amount of investment was already required in Ukraine prior to russia's full-scale invasion, with the goal of renovating existing and building new transportation infrastructure, the damage to roads, railway systems and bridges in the last year poses an additional challenge. However, this also presents an opportunity to transform the transportation system to make it more affordable, accessible and efficient as well as to decrease its emissions. In other words: to make it more sustainable. As the concept of sustainable mobility is quite complex and difficult to operationalise, no accepted global definition of it exists so far.[8]

The term includes not only the reduction of emissions, but also the improvement of livelihoods, meeting "the basic access and development needs of individuals, companies and societies", promoting "equity within and between successive generations" and being affordable and efficient.[9] Keeping these points in mind, this chapter focuses on the railway system and on the local needs of people moving around cities.

## 2. Summary

Mobility in Ukraine currently faces several challenges, such as a shortage of low-emission transport and a focus on cars instead of trains, bicycles or pedestrians; a lack of financial resources; damaged infrastructure and non-inclusive public transport. At present, various ideas and plans are being debated or implemented, such as the introduction of electric buses or the refusal to register gasoline and diesel cars in this decade.

To further transform the transportation system, it is necessary to listen to local needs and to stop giving priority to private motorised transport. More emphasis could be placed on public transportation in the process of rebuilding the transportation infrastructure, following a people-centred approach and connecting all parts of the country. This should result in most citizens using public green transport. With this vision, we address Ukrainian decision-makers.

[8]Brůhová Foltýnová, H., Vejchodská, E., Rybová, K. and Květoň, V. (2020). Sustainable urban mobility: One definition, different stakeholders' opinions. Transportation Research Part D: Transport and Environment, 87, p.102465. doi: https://doi.org/10.1016/j.trd.2020.102465 [Accessed 22 Jun. 2023].
[9]Neste worldwide. (2021). What is sustainable mobility? [online] Available at: https://www.neste.com/media/sustainable-mobility/what-is-sustainable-mobility [Accessed 22 Jun. 2023].

# 3. Analysis

Passenger transportation in Ukraine is dominated by cars and buses using roads (42%, 2020) and short distance public transportation systems such as trolley-buses (23%), trams (16%) and subways (16%). At the same time, railway transport is a leading industry in the country's road and transport complex, handling almost 82% of cargo and 36% of passenger transportation.[10]

The operating network of railways in Ukraine is almost 19,800 km. long (not including the occupied territories, where the network is currently not in operation), of which more than 47.2% is electrified.[11] In addition to connecting the country and offering sustainable mobility to the population, the railroad company also fulfils an important task as the country's largest employer.[12] During the war, it plays a vital role in evacuating people.

The International Energy Agency illustrates that rail is among the most efficient and lowest emitting modes of transport.[13] According to the data of the government's transport strategy, 90–95% of pollutant emissions in cities air are caused by road transport.[14] The war deepens the climate crisis, causing significant emissions of carbon dioxide into the atmosphere.[15]

Key challenges on the way towards "greener" and more inclusive transport systems remain:

Damages to 25,000 km. of roads, 500 km. of railroads and 344 bridges and bridge crossings as of March 2023, worth $36.2 billion.[16] Due to the war, the transport system is one of the sectors in greatest need of donor investment for recovery.[17]

Low number of electric buses and cars.

Insufficient increase in the number of operating trains.

Public transport system is physically worn.

People are not in the habit of using green transport.

Occupied Donetsk, Luhansk and Crimea, where railways are currently not operating.

[10] [UKR] Ministry of Infrastructure of Ukraine. (n.d.). Information about Ukrainian railways. [online] Available at: https://mtu·gov·ua/content/informaciya-pro-ukrainski-zaliznici·html [Accessed 22 Jun. 2023].
[11] Central Intelligence Agency (2022). Ukraine· [online] Available at: https://www·cia·gov/the-world-factbook/countries/ukraine/#transportation_[Accessed 22 Jun. 2023].
[12] Ukraine's wartime rail chief has to be faster than the Russians tracking him. (2022). BBC News. [online] 15 Mar. Available at: https://www.bbc.com/news/world-europe-60755198 [Accessed 22 Jun. 2023].
[13] Carbon Brief. (2019). How 'aggressive' railway expansion could cut emissions in eight charts. [online] Available at: https://www.carbonbrief.org/eight-charts-show-how-aggressive-railway-expansion-could-cut-emissions/.
[14] [UKR] Unian (n.d.) The future of Ukrainian cities: the usual 'cattle cars' or modern electric transport [online] Available at: https://www.unian.ua/economics/transport/10513221-maybutnye-ukrajinskih-mist-zvichni-skotovozki-chi-suchasniy-elektrotransport.html [Accessed 22 Jun. 2023].

Some solutions have already been implemented. The government endorses the use of ecological modes of transport in cities and intends to completely replace all existing forms of urban public transport with electric ones by 2030. Because of the war, this deadline will likely not be met. The transformation to electric vehicles has also started for cars, as gasoline and diesel cars will be gradually banned. In the cities, local governments have begun to improve the infrastructure for cyclists by building several hundred kilometres of bicycle lanes.

Key actors in the transportation sector that can help address these challenges are the Ministry for Communities, Territories and Infrastructure Development of Ukraine, including its different state agencies, local government bodies, energy companies and non-governmental organisations.

[15] [UKR] ECO RAYON (2023) Ukraine recorded 33 million tonnes of air emissions as a result of the war [online] Available at: https://eco.rayon.in.ua/news/563616-vnaslidok-viyni-v-ukraini-zafiksuvali-33-milyoni-tonn-vikidiv-v-atmosferu#subscribe [Accessed 22 Jun. 2023].
[16] Kulish, H. (n.d.). During the year of the full-scale war, the total amount of damages caused russia to Ukraine's infrastructure has reached almost $143.8 billion. [online] Kyiv School of Economics. Available at: https://kse.ua/about-the-school/news/during-the-year-of-the-full-scale-war-the-total-amount-of-damages-caused-russia-to-ukraine-s-infrastructure-has-reached-almost-143-8-billion/ [Accessed 22 Jun. 2023].
[17] Center for Strategic and International Studies (n.d.). Modernizing Ukraine's Transport and Logistics Infrastructure. [online] Available at: https://www.csis.org/analysis/modernizing-ukraines-transport-and-logistics-infrastructure [Accessed 22 Jun. 2023].

# 4. Vision of the Group

We envision that reconstruction will be combined with the goal of sustainability by making public transportation more accessible and by using a people-centred approach.

## Ukraine's transport system is focused on local needs.

> This has been created by strategically planning connections between busy parts of cities (where there are offices, factories, shopping centres and nightlife) and residential districts with the necessary number of buses and subway trains. Service is being improved with the purchase of means of transport, hiring more drivers and inspectors and, when possible, the reimplementation of bicycles rental schemes. An increasing number of cities have adopted and implemented Sustainable Urban Mobility Planning accounting to their different needs. The national legal framework supports local efforts to transform the transportation system (for example, delegation of responsibilities) as well as fosters cooperation between the local and national administrations.

## The share of people using sustainable means of transport is greater as a result of setting up a favourable environment.

> This is achieved by partnerships between private companies that are not part of the transport sector and ones that are to incentivise and reward citizens for using sustainable means of transport. In such a partnership, people who have collected a certain amount of points by, for example, buying public transport one-off or season tickets get discounts in the likes of supermarkets, pharmacies or cultural centres.

## There are efficient and appealing connections between all regions of Ukraine, including those temporarily occupied, thanks to the use of intermodal transport.

> This has been achieved by developing modern infrastructure (such as railway networks with rapid and high-frequency train connections) between major cities without leaving a gap between the territories not occupied and those still under occupation. Intermodal transport in this case refers to connecting different means of transport effectively. Funding for this has come from foreign investment as well as “the European Marshall Plan” to incentivise activities by more than just one company.

# PUBLIC INSTITUTIONS

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**Sieimur Veliiev**, Ukraine **Anna Vietrova**, Ukraine

## 1. Preamble

Since gaining its independence from the Soviet Union, Ukraine has built well-established democratic institutions, a market-driven economy and a lively civil society. Public institutions encompass numerous sectors, including healthcare, the educational system and the electricity grid. After the start of the full-scale invasion in February 2022, Ukraine's existing institutional systems came into the spotlight. Of the many facets of this topic, we have chosen to concentrate on the transformation of the governmental system, which currently fails to ensure the effectiveness of the rebuilding process.

Our vision is to reform public administration to prepare Ukraine to become a fully democratic, sustainable and socially united EU member state. Our strategy targets Ukrainian decision-makers and the local and regional networks in Ukraine. It also targets representatives of the EU institutions and initiatives as well as European organisations and lobbying groups.

## 2. Summary

Over the last few years, Ukraine's government has adopted several policies concerning public institutions and anti-corruption infrastructure, but these are not functioning effectively enough to fully respond to the needs of citizens. The country is experiencing a full-scale war and requires further help from the outside for rebuilding. The most crucial condition for the successful completion of Ukraine's integration into the EU will be the mutual alignment of reforms, accession negotiations and post-war reconstruction. Despite successful earlier practices, widespread corruption remains a major problem.

We address decentralisation and distribution of power to enforce transparency and strong rule of law. We envision the implementation of strategic policies with oversight by independent actors that will encourage civil society involvement in an evidence-driven and innovative policy-making process. This will make the public sector an employer that attracts well-educated professionals at the local and regional levels. This vision tackles the lack of coordination and trust in government, focusing on building functional and sustainable systems rather than recovery based on a prior example.

# 3. Overview of Status Quo

Ukraine's post-Soviet transformation led to a pluralistic democratic political system. However, until 2014 it had not produced robust and sustainable public institutions equipped for the transition to a full-fledged European democracy[18]. Corrupt oligarchic systems and ideological division among Ukrainians played major roles in creating these flaws. Since the Euromaidan, russia's illegal annexation of Crimea and the occupation of Donetsk and Luhansk, a substantial and comprehensive public administration reform has been underway.

According to the European Commission's opinion on Ukraine's application for membership of the European Union, "the legal framework for a modern public administration is mostly in place […] yet not fully implemented".[19] Significant progress has been made in the decentralisation of decision-making and the empowerment of "amalgamated communities" (hromadas), the implementation of e-government and the creation of a well-equipped, if politically fragile, anti-corruption infrastructure. However, the institutions have been "hamstrung by interference from vested interests and, thus, have struggled to perform their duties free of political" and oligarchic influence.[20]

Prior to the full-scale invasion, the key challenges for the public sector could be characterised by three aspects:

> Insufficient recruitment of well-educated officials, especially at the local level.

> Inconsistent quality and inclusivity of public services.

> An inadequate judicial system sustaining corruption and absence of transparency at all levels of government.

Despite these systemic issues, Ukraine exhibits high public engagement with resilience,[21] primarily due to political legitimacy that has been built by citizens from the bottom up.[22] Public institutions have proven to be rather resilient during wartime.[23] However, progress on these issues has naturally stalled. There is therefore an urgent need to weave resilience solutions into the rebuilding of Ukraine, which should be a reform rather than a recovery process. The momentum for "building back better" with holistic rather than restricted reforms can be provided by the country's EU candidate status received in February 2023.

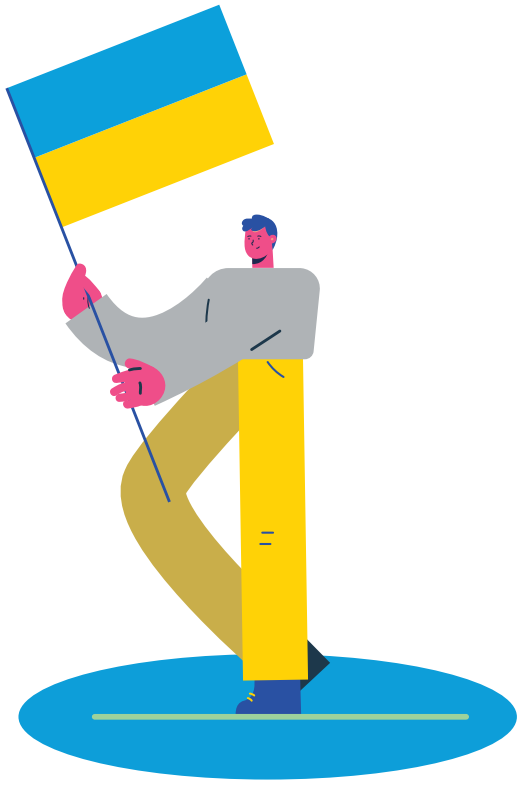
[18] Bidenko, Yuliia (nd.) Ukraine: Nation in Transit 2022 Country Report. Freedom House. Available at: https://freedomhouse.org/country/ukraine/nations-transit/2022 [Accessed 22 Jun. 2023].
[19] European Commission (2022), Communication from the Commission to the European Parliament, the European Council and the Council: Commission Opinion on Ukraine's application for membership of the European Union, Brussels, 17.6.2022, COM(2022) 407 final. Available at: https://ec.europa.eu/neighbourhood-enlargement/opinion-ukraines-application-membership-european-union_en [Accessed 22 Jun. 2023].
[20] Fenton, N. and Lohsen, A. (2022, November 8). Corruption and Private Sector Investment in Ukraine's Reconstruction. Center for Strategic & International Studies. Available at: https://www.csis.org/analysis/corruption-and-private-sector-investment-ukraines-reconstruction [Accessed 22 Jun. 2023].
[21] [UKR] Gradus. (2022, October) Migration and Socio-political opinions during the full-scale russian war against Ukraine - the 12th wave of research. Analytical report. Available at: https://gradus.app/documents/317/Gradus_EU_wave_12_UA.pdf [Accessed 22 Jun. 2023].
[22] Brik, T. and Murtazashvili, J.B. (2022). The Source of Ukraine's Resilience. Foreign Affairs. Available at: https://www.foreignaffairs.com/articles/ukraine/2022-06-28/source-ukraines-resilience?check_logged_in=1&utm_medium=promo_email&utm_source=lo_flows&utm_campaign=registered_user_welcome&utm_term=email_1&utm_content=20230402 [Accessed 22 Jun. 2023].

While 69% of Ukrainians supported accession in 2021,[24] the experiences of 2022 have led to an increase in support to 87%.[25] Ukraine has already fulfilled more than 70% of its obligations under its Association Agreement with the EU.[26]

Yet, all three key challenges mentioned can individually and together pose a threat to our vision of Ukraine as a fully democratic, sustainable and socially united EU member state.

As the Rebuilding Plan of Ukraine developed by the Centre for Economic Policy Research emphasises, the country has a chance to get rid of the remains of its Soviet laws by perceiving a reconstruction agency as a role model for post-war good governance.[27] Ukraine will transform into a modern democracy by aligning its laws with EU ones, by implementing its agreements with the EU and by focusing on the engagement of civil society.

The key actors that can help address the challenges include Ukrainian decision-makers (in particular members of the Verkhovna Rada, Oblast governors, mayors of amalgamated communities and local officials), Ukrainian lobbying groups, the European Commission, EU foreign ministers, the EU's Special Envoy for the Eastern Partnership and the Organisation for Economic Co-operation and Development.



[23] Organisation for Economic Co-operation and Development. (2022, December). Regional and municipal authorities key to Ukraine's resilience. Available at: https://www.oecd.org/newsroom/regional-and-municipal-authorities-key-to-ukraine-s-resilience.htm [Accessed 22 Jun. 2023].
[24] [UKR] Rating Group. (2021 November). Socio-political attitudes of the population (4-9th of November 2021). Available at: https://ratinggroup.ua/research/ukraine/obschestvenno-politicheskie_nastroeniya_naseleniya_4-9_noyabrya_2021.html [Accessed 22 Jun. 2023].
[25] [UKR] Rating Group. (2023, February). Complex Study: How the War Changed Me and the Country. Year Summary. Available at: https://ratinggroup.ua/research/ukraine/kompleksne_dosl_dzhennya_yak_v_yna_zm_nila_mene_ta_kra_nu_p_dsumki_roku.html [Accessed 22 Jun. 2023].
[26] [UKR] Slovo i dilo. (2023, February) Stefanishyna stated how much Ukraine fulfilled its obligations according to the Association Agreement with the EU. Available at: https://www.slovoidilo.ua/amp/2023/02/04/novyna/polityka/stefanishyna-rozpovila-skilky-ukrayina-vykonala-zobovyazannya-uhodoyu-pro-asocziacziyu-yes [Accessed 22 Jun. 2023].
[27] Centre for Economic Policy Research. (2022). Rebuilding Ukraine: Principles and policies. [online] Available at: https://cepr.org/publications/books-and-reports/rebuilding-ukraine-principles-and-policies [Accessed 22 Jun. 2023].

# 4. Vision of the Group

## Ukraine's civil society plays an active role in the recovery architecture and in the post-war period to implement socio-economic transformations for all Ukrainians on a "leave no one behind" basis.

> An optimal distribution of resources in society, with social benefit and social cost in equilibrium, can be achieved if think-tanks, advocacy groups and non-governmental organisations balance the visions of the government and international donors. This approach fosters dialogue between citizens and the government, and it will lead to greater inclusivity in public decisions, greater quality of policy proposals and greater integrity of implementation.

## Ukraine liaises closely with international development organisations and transforms its public administration processes in line with the SIGMA principles.[28]

> This framework for assessing good governance, developed by the Organisation for Economic Co-operation and Development, sets the ground for actionable and feasible reform benchmarks in public administration. The government builds on the empowerment of local governments and the successes of some central bodies in culture, innovation and procurement (namely, the Ukrainian Institute,[29] the Ukrainian Startup Fund,[30] and Prozorro[31]) while the European Commission along with the leadership of the countries of the Eastern Partnership develops a robust roadmap for achieving each of the SIGMA components to propose to Ukrainian decision-makers. Members of the Verkhovna Rada, Oblast governors, mayors of amalgamated communities, local officials and Ukrainian lobbying groups are encouraged to adapt the policies to their particular region and enforce the measures involved.

[28] European Principles for Public Administration. (1999). doi: https://doi.org/10.1787/5kml60zwdr7h-en [Accessed 22 Jun. 2023].
[29] Ukrainian Institute. (2023). Main page. [online] Available at: https://usf.com.ua/en/#usf-sc-5 [Accessed 22 Jun. 2023].
[30] Ukrainian Startup Fund. (2023) Main page. [online] Available at: https://usf.com.ua/en/#usf-sc-5 [Accessed 22 Jun. 2023].

## Ukraine's public sector attracts and retains highly skilled professionals at the local and national levels.

The individuals already recruited for the Reform Support Teams funded by the European Bank for Reconstruction and Development should be incentivized to move to permanent public administration positions with competitive remuneration, professional and personal security, and clear career progression prospects. Local governments in collaboration with local initiatives as well as Eastern Partnership ones develop and nurture career transition routes from the corporate, startup, non-governmental organisation and academic sectors as recruitment channels. Mayors of amalgamated communities adopt best practices in talent management, upskilling and diversity and inclusion, as well as reducing bureaucratic hurdles, collecting feedback and acting upon it.

## Ukraine's government executes transparent and effective public communication.

While the decentralisation reform has built a stronger bond and level of trust between citizens and public administration officials,[32] the central executive bodies have also accumulated public trust. The European Commission delivers strategic and tactical policy decisions in simple terms and the government reports on them in an engaging manner. The state media is encouraged to track and report progress on long-term objectives. Civil society encourages the opposition to focus more on policy criticism than on political criticism.

## Ukraine's public sector attracts and retains highly skilled professionals at the local and national levels.

When the lack of central planning prevents bringing strategic policy vectors together, the quality of policy analysis becomes the crucial factor in assessing the efficiency of the government. Ukrainian lobbying groups and other bodies – including the ERA4Ukraine, representatives of the EU Solidarity Platform, the European Researchers' Network, academic scholars and researchers – are encouraged to contribute to the analysis of public policies. Ukraine's regional leadership aspirations are underpinned by feasible goals and a complex analytical framework. This helps Ukraine escape from low growth and realise its potential global impact. Ukraine becomes a sustainability and innovation champion.

[31] ProZorro (2023) Main page. [online] Available at: https://prozorro.gov.ua/en [Accessed 22 Jun. 2023].
[32] Brik, T. and Murtazashvili, J.B. (2022). The Source of Ukraine's Resilience. [online] Foreign Affairs. Available at: https://www.foreignaffairs.com/articles/ukraine/2022-06-28/source-ukraines-resilience?check_logged_in=1&utm_medium=promo_email&utm_source=lo_flows&utm_campaign=registered_user_welcome&utm_term=email_1&utm_content=20230402 [Accessed 22 Jun. 2023].

# ENERGY SECURITY & EFFICIENCY

**Hailey Ciantar**, Malta **Monta Mestere**, Latvia
**Olena Vilkha**, Ukraine

## 1. Preamble

Ukraine's energy security is under serious threat as a result of the war. Russia's massive attacks and missile strikes have damaged or destroyed about 50% of the power system, including substations and high-voltage power lines. According to the Ministry of Energy, Ukraine lost half of the capacity of its thermal power plants and 30% of its solar power generation. The Zaporizhzhia, Luhansk and Vuhlehirska thermal power stations as well as the Kakhovska hydroelectric power stations are under russian occupation. So is the Zaporizhzhia nuclear power plant, although electricity from it still flows into Ukraine's grid. Most regions remain without consistent power and the economy is suffering. However, post-war recovery planning includes how to secure renewable energy. Of the many aspects of this topic, we focus on sustainable production and consumption of energy as well as the improvement of the renewable energy infrastructure.

Energy security is and will be a priority for Ukraine. We outline the current problems and suggest ways of improving things by focusing on the restoration of the necessary infrastructure for uninterrupted energy supply, as well as on reorientation to Western-made equipment. The key actors in this are Ukraine's government, electricity companies and coal mine companies, Members of the Verkhovna Rada and European Parliament, and the European Commission.

## 2. Summary

This chapter addresses three key goals:

- Reducing Ukraine’s dependence on certain energy imports by diversifying its sources and developing sufficient energy production.
- Ukraine’s integration in the EU energy market and the increase of its export capacities.
- Radical renewal of Ukraine’s energy infrastructure.

# 3. Analysis

Ukraine's energy - generating capacities are mostly state-owned, alongside private and communal sources. There are four nuclear power plants with 15 power units, 15 thermal power plants, 21 thermal power plants and several dozen low-power stations, twelve hydroelectric power stations, several dozen wind and solar power plants, and facilities operating on biogas. Some are located in currently occupied territories.

Green energy was developing rapidly before the start of the full-scale invasion. The government adopted the Updated Energy Strategy of Ukraine until 2035 in 2017, which includes main indicators and directions of activity for various types of electricity generation. In 2019, Ukraine was among the top ten countries in the world in terms of renewable energy development rates. In 2020, it was among the top five European countries in terms of solar energy development rates.

However, the russian military has been destroying solar panels and looting the control points of solar and wind stations. As a result, 90% of wind and 40–50% of solar energy capacity has been decommissioned, and 50% of green energy facilities have stopped working.[33]

The energy system has been disconnected from the grids of russia and Belarus since February 2022.[34] In March 2022, the energy systems of Ukraine and Moldova were fully synchronised with the ENTSO-E power grid of continental Europe.[35]

Several challenges remain with regard to energy efficiency and security. These include significant dependence on imported energy and supplies for energy generation, insufficient capacity of the power grid, limited available capacity for importing natural gas at the border with the EU, and worn-out infrastructure. In addition, the level of production from available reserves of natural gas and oil remains insufficient.

Ukraine's remaining infrastructure is damaged, old and inefficient. Its capacity to deliver electricity to all regions and to Europe is limited. Attacks on old nuclear power plants are creating fears that the energy infrastructure is unstable and unsafe to use.[36] The lack of financial resources affects the condition of electrical and transformer stations. Providing energy to all areas of Ukraine remains a recurring problem.

[33] The Kyiv Independent. (2022). Minister: Russia's war destroys 90% of wind power, 50% of solar power facilities in Ukraine. [online] Available at: https://kyivindependent.com/minister-russias-war-destroys-90-of-wind-power-50-of-solar-power-facilities-in-ukraine/ [Accessed 22 Jun. 2023].
[34] Dtek.com. (2023). russians attacked DTEK Energy's facility, disconnecting it from power system. Available at: https://dtek.com/en/media-center/news/v-rezultate-ocherednoy-ataki-rossii-energeticheskoe-predpriyatie-dtek-energo-otklyucheno-ot-energosistemy-prodolzhayutsya-vosstanovitelnye-rabo/ [Accessed 22 Jun. 2023].
[35] Entsoe.eu. (2019). Home. [online] Available at: https://www.entsoe.eu/ [Accessed 22 Jun. 2023].

The war has also increased financial risks for investors, forcing them to be cautious in their investments in the energy system. As of December 2022, Ukraine had received 176 shipments of materials and energy equipment from the European Union and the United Kingdom. It will receive more equipment from the governments and companies from 13 countries such as Israel, Spain and the United States.[37]

In sum, amidst the ongoing war, the combination of a limited diversification of energy sources and a damaged, old and inefficient energy infrastructure, fails to provide energy for all regions of Ukraine and led to blackouts. This puts the country in an energy crisis.

[36] Borger, J. (2022). Fears for all Ukraine's nuclear plants after emergency shutdowns. The Observer. [online] 26 Nov. Available at: https://www.theguardian.com/world/2022/nov/26/fears-for-all-ukraines-nuclear-plants-after-emergency-shutdowns [Accessed 22 Jun. 2023].
[37] [UKR] Omelchenko, V. (n.d.). Renewable energy sector of Ukraine before, during and after the war. [online] razumkov.org.ua. Available at: https://razumkov.org.ua/statti/sektor-vidnovlyuvanoyi-energetyky-ukrayiny-do-pid-chas-ta-pislya-viyny [Accessed 22 Jun. 2023].

# 4. Vision of the Group

## The energy grid has been reconstructed and export capacities optimised.

Guaranteeing Ukraine's energy security in the long term, the latest energy-saving technologies are used in the restoration of industrial and housing infrastructure. The necessary infrastructure for uninterrupted supply of electricity, heat and gas to the population is restored, with the focus switched to equipment and assemblies from Western producers. Damaged energy infrastructure has been restored, including by building protected distribution stations. The network of the electricity transmission system operator Ukrenergo has been comprehensively reconstructed. STATCOM devices have been installed to balance voltage fluctuations and overcome technical limitations to export energy.

## Ukraine has a stable and secure energy system.

The energy system has been secured through additional air defence systems and funding from national and local authorities. The infrastructure for strategic reserves has been updated and the dependence on imports has been reduced by developing domestic production as well as by diversifying sources of supply to create strategic stocks. Greater nuclear power generation capacity – including new, safe nuclear power plants contributes to the resilience of the energy system.

## Ukraine produces green energy.

> Alternative sources of fuel supply and corresponding logistics have been secured, including the maximum replacement of supplies of fuel assemblies from russia to Westinghouse. The national energy strategy has been updated taking into account new technologies. Energy independence has been enhanced through reduced energy consumption and comprehensive energy efficiency measures as well as analysis by research centres and scientists of damaged energy infrastructure.

## Ukraine is adapting to new technologies and attracting investments in the sector.

> Through the training of specialists from abroad with a focus on new energy technology, new international public-private partnerships have been established and attract foreign investments in the sector. The energy system has diversified its energy sources. Ukraine has acquired the knowledge to operate new technologies with the help of training by foreign specialists.

# RECONSTRUCTION OF THE AGRICULTURAL SECTOR

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**Nazarii Pomohaibo**, Ukraine

## 1. Preamble

Ukraine is one of the world's leading exporters of wheat, corn, soybean seeds and sunflower oil.[38] In 2021, the agricultural sector accounted for more than 40% of the country's total exports and employed more than 30% of the population.[39] Following the start of russia's full-scale invasion in February 2022, the sector suffered significant losses, amounting to billions of US dollars, for reasons ranging from lost harvests and disrupted supply chains to loss of human capital and mining of the fields.[40] We focus on five main themes: soil contamination, food exports and crises, people and human resources, equipment and machinery, and sustainability of legislation.

Our target audience includes European country leaders, EU policymakers and Brussels-based lobby groups, non-governmental organisations specialised in the agricultural sector, United Nations specialised food and nutrition bodies, Ukraine's Ministry of Agrarian Policy and Food, and Ukraine-based and foreign private and state-owned de-mining companies.

[38] United States Agency for International Development (USAID). (2022, May 26). Agriculture Fact Sheet - Ukraine. ReliefWeb. Available at: https://reliefweb.int/report/ukraine/agriculture-fact-sheet-enuk [Accessed 22 Jun. 2023].
[39] International Trade Administration. (2023, January 11). Ukraine Country Commercial Guide: Agribusiness. Available at: https://www.trade.gov/country-commercial-guides/ukraine-agribusiness [Accessed 22 Jun. 2023].
[40] Welsh, C. (2023, February 24). Russia, Ukraine, and Global Food Security: A One-Year Assessment. Centre for Strategic and International Studies. Available at: https://www.csis.org/analysis/russia-ukraine-and-global-food-security-one-year-assessment [Accessed 22 Jun. 2023].
[41] Schwirtz, M., Kozliuk, S., & Prickett, I. (2023, March 11). In Fields Sown With Bombs, Ukraine's Farmers Risk Deadly Harvest. The New York Times. Available at: https://www.nytimes.com/2023/03/11/world/europe/ukraine-farms-mines.html [Accessed 22 Jun. 2023].

## 2. Summary

Regular agricultural practices in areas that have suffered from heavy military combat and shelling have been rendered impossible due to landmines, unexploded shells, machine-oil leakage, post-mortem poison and thousands of damaged agricultural equipment and machinery units.[41] Russia's attempts to halt the movement of cargo vessels in the Black Sea have hindered Ukraine's agricultural exports and raised global concerns regarding food security.[42]

Moreover, the loss of human resources (due to war-induced migration, military actions and occupation) and few educational opportunities make it challenging for Ukrainian farms to maintain pre-war production levels.[43]
Last, Ukraine faces many challenges in aligning its agricultural laws with the EU's sustainability criteria and policy initiatives, such as the European Green Deal, as well as in integrating them into the EU's legislative framework.[44]

[42] Wong, E., & Swanson, A. (2023, January 5). How Russia's War on Ukraine Is Worsening Global Starvation. The New York Times. Available at: https://www.nytimes.com/2023/01/02/us/politics/russia-ukraine-food-crisis·html [Accessed 22 Jun. 2023].
[43] [UKR] Ukrainian Agrarian Council. (2022, December 5). Andriy Dykun: Ukraine needs to create jobs to bring Ukrainians back home. Available at: https://uacouncil·org/en/post/andriy-dykun-ukraine-needs-to-create-jobs-to-bring-ukrainians-back-home [Accessed 22 Jun. 2023].
[44] Medinilla, A., Dekeyser, K., & Karaki, K. (2022). Promoting a global green transition following the Russian invasion of Ukraine – The external dimensions of the European Green Deal. European Centre for Development Policy Management (ECDPM). Available at: https://ecdpm·org/work/global-green-transition-russian-invasion-ukraine-external-dimensions-european-green-deal [Accessed 22 Jun. 2023].

# 3. Analysis

The war has damaged Ukraine's agricultural land, with more than 200,000 hectares contaminated.[45] This will take decades to solve. The destruction of the upper nutrient-rich layer has resulted in a loss of soil fertility.[46] Contamination of arable land with compounds of heavy metals can lead to long-term health risks that will require monitoring and remediation. Several state and non-state organisations as well as private companies are engaged in de-mining.[47] However, there is a lack of coordination among government agencies and donors,[48] as well as concerns about the capacity and safety protocols of the private companies.

Ukraine's agricultural exports dropped significantly in 2022, jeopardising food security in countries that rely heavily on these. Support initiatives were implemented, but the situation is far from pre-war levels.The Black Sea Grain Initiative was launched in August 2022 to provide a safe maritime passageway for grain vessels in the Black Sea and proved effective.[49] [50] Other initiatives include Grain from Ukraine and the EU granting Ukrainian farmers unlimited access to its markets.[51] [52] Continued attacks hinder Black Sea trade, discouraging foreign clients from purchasing Ukrainian produce due to waiting times and uncertainty.[53] There is also a need to find reliable donors for the Grain from Ukraine programme.

Employing more than 7.5 million people (17% of the population), the agricultural sector is the industry with the highest vacancy level.[54] Three out of five agricultural workers are drafted into the army.[55] Curfews make sowing at night impossible and refugees include many agricultural workers. Some problems have worsened, such as a decrease in financial support, lack of investment and youth opportunities, and a massive skill gap.[56]

The agricultural sector is under-equipped, with much of the machinery outdated. Investment in modernisation has significantly decreased as a result of the war.[57] The cost of repairing machinery and facilities is estimated to be more than US$1 billion.[58] The government allocates US$218 million for farmers to purchase new equipment and machinery, with international organisations also pledging to support this.[59] Private companies are investing in the sector and individual farmers are finding cost-effective ways to modernise.[60] Despite these efforts, gaps remain in addressing the issue of agricultural equipment and machinery, including lack of financing, shortage of skilled technicians and damaged transportation infrastructure.

As a member of international organisations dealing with agriculture and the environment, Ukraine has implemented relevant strategies in the sector.[61]

[45] Decyk, O., & Alekseev, V. (2022, December 19). How The War Is Doing Long-Term Damage To Ukraine's Fertile Soil (A. Akage, Trans.). Worldcrunch. Available at: https://worldcrunch.com/amp/ukraine-agriculture-war-pollution-2659006423 [Accessed 22 Jun. 2023].
[46] Wright, R., Watson, I., Konovalova, O., & Booth, T. (2023, March 27). Clearing land mines by hand, farmers in Ukraine risk their lives for planting season. CNN. Available at: https://amp.cnn.com/cnn/2023/03/27/europe/farmers-land-mines-clearance-ukraine-russia-invasion-intl-hnk/index.html [Accessed 22 Jun. 2023].
[47] Schwirtz, M., Kozliuk, S., & Prickett, I. (2023, March 11). In Fields Sown With Bombs, Ukraine's Farmers Risk Deadly Harvest. The New York Times· Available at: https://www.nytimes.com/2023/03/11/world/europe/ukraine-farms-mines.htm [Accessed 22 Jun. 2023].
[48] Wright, R., Watson, I., Konovalova, O., & Booth, T. (2023, March 27). Clearing land mines by hand, farmers in Ukraine risk their lives for planting season. CNN. Available at: https://amp.cnn.com/cnn/2023/03/27/europe/farmers-land-mines-clearance-ukraine-russia-invasion-intl-hnk/index.html [Accessed 22 Jun. 2023].
[49] United Nations Conference on Trade and Development (UNCTAD). (2023, March 19). Black Sea Grain Initiative extended. Available at: https://unctad.org/news/black-sea-grain-initiative-extended [Accessed 22 Jun. 2023].
[50] Gordiychuk, A. (2023, February 28). Agriculture Minister: Russia's grain corridor sabotage could lead to higher food prices. Kyiv Independent. Available at: https://kyivindependent.com/interview-mykola-solskyi/ [Accessed 22 Jun. 2023].
[51] Ministry of Foreign Affairs of Ukraine. (2023, February 16). Grain From Ukraine. Available at: https://mfa·gov·ua/en/grain-ukraine [Accessed 22 Jun. 2023].
[52] Communications Department of the Secretariat of the Cabinet of Ministers of Ukraine. (2023, March 17). Ukrainian carriers will further need no permits for bilateral and transit transportation to EU countries: Prime Minister. Cabinet of Ministers of Ukraine. Available at: https://www.kmu.gov.ua/en/news/ukrainskym-pereviznykam-i-nadali-ne-potribni-dozvoly-dlia-dvostoronnikh-i-tranzytnykh-perevezen-do-krain-ies-premier-ministr [Accessed 22 Jun. 2023].

However, deforestation, land exhaustion, lack of subsidies and a lack of transparency still need to be addressed in law. The EU's Production Support Grant scheme and reformed Common Agricultural Policy include measures and objectives to build more resilient and sustainable farming systems. The New Agrarian policy working group has outlined the reforms needed to align Ukraine with EU standards. Finally, the state has some legislative solutions, with the 2021 law on agricultural land and a draft law focusing on this area.

The key actors that can drive these changes are national and foreign agencies, such as the Ministry of Agrarian Policy and Food, the Ministry of Ecology and Natural Resources, the Ministry of Infrastructure, the State Emergency Service, the National Mine Action Authority and the Ukrainian Deminers Association as well as the United Nations, the United Nations Food and Agriculture Organization, the World Food Programme, the European Union, the Eastern Partnership, European and African agriculture ministries, and non-governmental organisations such as Norwegian People's Aid, Danish Demining Group and Handicap International.

[53] Gordiychuk, A. (2023, February 28). Agriculture Minister: Russia's grain corridor sabotage could lead to higher food prices. Kyiv Independent. Available at: https://kyivindependent.com/interview-mykola-solskyi/ [Accessed 22 Jun. 2023].
[54] United States Agency for International Development (USAID). (2022, May 26). Agriculture Fact Sheet - Ukraine. ReliefWeb. Available at: https://reliefweb.int/report/ukraine/agriculture-fact-sheet-enuk [Accessed 22 Jun. 2023].
[55] Hutson, L. (2022, April 27). Ukraine – the farming front line. Ministry of Agrarian Policy and Food of Ukraine. Available at: https://minagro.gov.ua/en/news/ukraine-farming-front-line [Accessed 22 Jun. 2023].
[56] [UKR] Ukrainian Agrarian Council. (2022, December 5). Andriy Dykun: Ukraine needs to create jobs to bring Ukrainians back home. Available at: https://uacouncil.org/en/post/andriy-dykun-ukraine-needs-to-create-jobs-to-bring-ukrainians-back-home [Accessed 22 Jun. 2023].
[57] International Trade Administration. (2023, January 11). Ukraine Country Commercial Guide: Agribusiness. https://www.trade.gov/country-commercial-guides/ukraine-agribusiness [Accessed 22 Jun. 2023].
[58] International Trade Administration. (2023, January 11). Ukraine Country Commercial Guide: Agribusiness. Available at: https://www.trade.gov/country-commercial-guides/ukraine-agribusiness [Accessed 22 Jun. 2023].
[59] United Nations. (2023, March 10). First Person: Vulnerable Ukrainian farmers plough self-sufficient furrow. United Nations News. Available at: https://news.un.org/en/story/2023/03/1134437 [Accessed 22 Jun. 2023].
[60] TYM. (2022, October 28). TYM donates 500 million KRW in funds and tractors to Ukraine. Available at: https://tym.world/en-ko/media/latest-news/ukraine-donation-2022/ [Accessed 22 Jun. 2023].
[61] Medinilla, A., Dekeyser, K., & Karaki, K. (2022). Promoting a global green transition following the Russian invasion of Ukraine – The external dimensions of the European Green Deal. European Centre for Development Policy Management (ECDPM). Available at: https://ecdpm.org/work/global-green-transition-russian-invasion-ukraine-external-dimensions-european-green-deal [Accessed 22 Jun. 2023].

# 4. Vision of the Group

## Soil and water resources undergo a thorough chemical decontamination process.

> Examples of such practices include planting trees and other vegetation that extract toxins from the soil. De-mining actions on land and in sea, lakes and rivers are ongoing and involve international organisations, trained de-mining groups and licenced private companies. A coordinated and sustained effort involving different stakeholders (the government, donors and private-sector actors) addresses the issue.

## Agrarian vocational education is adequately supported, the skills gap is addressed and opportunities for young farmers are broadened.

> This is achieved by promoting agrarian vocational education, implementing sustainable practices and following successful examples from the likes of Australia, Ireland and the United States. The skills gap is bridged to create more opportunities for young farmers through advanced internship schemes, interaction between business and vocational education and training and academic exchange programs.

## Ukraine's agricultural exports, especially to countries in danger of a food crisis, have regained stability.

> Ukrainian and Western policymakers collaborate to depoliticise agriculture and involve new allies in supporting the agricultural sector. Moreover, Ukraine focuses on premium food production for high-end markets, instead of producing low-price genetically modified commodities with high environmental and logistical costs.

## Ukraine's agricultural sector utilises new, environmentally smart technologies.

> Apart from aiming for a full transition to fertilisers and pesticides of organic origin, Ukraine takes a leading role in developing and making use of robotic farming tools and agroecology.

## Ukraine's legislation is sustainable and is aligned with the EU's agricultural and environmental policies.

> This is achieved through reforms directly addressing the main issues emerging from Ukraine's obsolete and unsustainable agricultural policy. First, the eradication of corruption is sought through transparent subsidies and decision-making. Second, deforestation is reduced by punishing illegal resource acquisition and promoting sustainable practices. Third, land exhaustion and harmful farming practices are decreased through crop rotation and reduced use of pesticides and genetically modified organisms. Low tax rates for farmers and a wider range of governmental subsidies for purchasing agricultural equipment and infrastructure development are implemented.

# FINANCIAL SUSTAINABILITY

**Roberta Bartkuté**, Lithuania **Eoghan Gately**, Ireland
**Mariia Hnatiuk**, Ukraine **Mariia Kalashnyk**, Ukraine

## 1. Preamble

This chapter focuses on the post-war financial sustainability of Ukraine and the implementation of policies that will kick-start and encourage growth in the economy during the rebuilding period. We focus on two key areas:

- Improving regulation within the primary sector to protect Ukraine from natural-resource exploitation, mostly aimed at protecting Ukraine's mining rights.
- Developing Ukraine as a European hub for technology and innovation, focusing on the manufacturing, services and research and development sectors.

We aim to achieve two goals. First, ensuring that Ukraine maintains its natural resources rights, whose value is estimated to be in the tens of trillions of US dollars.

In addition to this, placing emphasis on the economy's secondary, tertiary and quaternary sectors will create opportunities for highly educated and skilled displaced Ukrainians to return home to high-quality employment. It will also create opportunities for foreign direct investment by multinational companies looking to enter the European market, making Ukraine ideal as operating manufacturing hub between the Asian and European markets.

Encouraging the return of displaced workers and creating incentives for multinational companies to operate out of Ukraine will lead to more tax revenue for rebuilding, while also keeping enough money within the private sector to maintain economic growth throughout and beyond the rebuilding process.

## 2. Summary

Three main issues pose a threat to the post-war economic redevelopment of Ukraine:

- Lack of regulation to protect the country from exploitation of its natural resources to help finance rebuilding.
- Brain drain through the international displacement of many Ukrainians.
- A lack of transparency as to the use of foreign aid and uneven distribution of wealth.

There are a number of factors that need to be considered in tackling these issues. However, addressing each one in a measured way is of paramount importance in order to develop Ukraine's economy in a sustainable fashion, protecting its interests from the human capital and resource perspectives alike.

# 3. Analysis

Ukraine has protected its economy during the war in a number of ways. In the wake of the full-scale invasion in February 2022, the government took out large insurance policies in order to protect companies in case they were unable to fulfil contracts due to the war. In addition, early decisions by the Central Bank helped to minimise damage to the national currency. This was achieved through the implementation of four policies within 48 hours of the invasion:

- Temporarily restricting the issuance of foreign currencies to the public.
- Applying a fixed exchange rate regime.
- Providing the banking system with access to unlimited unsecured short-term loans.
- Ensuring support from the National Bank of Poland, which offered a US$950 million currency swap line to balance the suspension of foreign exchange transactions.

There are many challenges that the economy faces and will continue to face. Internal and external displacement is one key issue disrupting productivity. Highly educated and skilled Ukrainians have been forced to evacuate their homes, jobs and universities, which limits the government's tax revenue. This brain drain will continue to limit GDP, which shrank by 30.4% in 2022.[62] Additionally, damage to infrastructure has slowed activity in the primary and secondary sectors of the economy.

The EU has promised Ukraine €18 billion in highly concessional loans to help sustain the country during the war – these loans are limited to covering the costs of essential services and to ensuring that pension payments can be made.[63] The issuance of war bonds by the government has been another crucial lifeline for the economy, financing military production and operations.[64]

The key actors in the post-war economic redevelopment of Ukraine will be the government, the Ukrainian Chamber of Commerce and Industry, the National Bank of Ukraine working in collaboration with partners from the EU, and the United States among other allies. The European Commission will have a pivotal role in facilitating the integration of Ukraine into the EU. It may have to oversee and monitor the progress of redevelopment in line with sustainability goals and to act as a trustee that can ensure the transparency of aid use throughout the process.

The shrinking of the economy will loom large for years, due to the breadth of the destruction and displacement brought on by the war. The international community may consider the implementation of a scheme to help with the redevelopment efforts of Ukraine with foreign funds. However, it would be wise to avoid placing too much emphasis on schemes that would match donations to finances taken from the private sector for this process.[65]

[62] Horowitz, J. (2023). Ukraine's economy shrank by more than 30% in 2022. [online] CNN. Available at: https://edition.cnn.com/2023/01/05/business/ukraine-economy/index.html#:~:text=Ukraine%27s%20economy%20shrank%20by%20more%20than%2030%25%20in%202022%20after [Accessed 22 Jun. 2023].
[63] European Parliament (2022). Parliament approves €18 billion loan for Ukraine for 2023 | News | European Parliament. Available at: https://www.europarl.europa.eu/news/en/press-room/20221118IPR55713/parliament-approves-EU18-billion-loan-for-ukraine-for-2023 [Accessed 22 Jun. 2023].

The US economist Tyler Cowen has pointed out the pitfalls of setting matching requirements for aid in redevelopment, as this can stagnate the economy due to the increased removal of revenue from the private sector[66] and the development of an unnecessarily large public sector. Another long-term challenge, should Ukraine opt for an economy that provides incentives for foreign direct investment (FDI), especially in the service sector, is passing protective legislation for property, housing and rent. Ireland is an example of a country that invested heavily in economic development through FDI but failed to pass legislation to prevent predatory companies from buying up property to maximise profits. Legislation that would make property only available to be purchased by individuals as opposed to corporations could minimise the potential negative effects of welcoming large multinational corporations to Ukraine.

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# 4. Vision of the Group

Our vision for the future of Ukraine incorporates solid and sound economic policy, combined with an approach oriented around “Bringing Ukraine to the World, and the World to Ukraine”. We envision this goal being achieved through a steadfast commitment by Ukrainian and European decision-makers who collaborate to create systems, programmes and protocols that will serve to fulfil our vision.

## Ukraine substantially develops its GDP in the years after the war by increasing activities in the tertiary and quaternary sectors.

> These sectors provide the highest levels of GDP contribution across most developed economies, followed by the secondary sector. Since the start of the invasion, the IT sector has played a key role in minimising the shrinking of the economy. Economists had initially projected the economy would contract by 40–45% but it had shrunk by no more than 30% by the end of 2022. Due to their ability of companies and employees within the tertiary sector to operate remotely, many were able to fulfil their contracts. This sustained production helped minimise the impact of the war on Ukraine’s GDP.

## Ukrainian decision-makers tighten regulation surrounding natural resources to prevent short-termist exploitation by private firms.

> Amending the relevant laws benefit the economy in the long term through Ukraine's nationalised mining groups. Despite the temptation to sell rights to natural resources to fund rebuilding in the short term, it is more beneficial over the coming decades for Ukraine to have its own mining operations, as the country possesses minerals, gases and metals that are valued in the tens of trillions of US dollars. Strong regulation of natural resources dissuades foreign entities from attempting to obtain mining rights at an undervalued position.

## Ukraine positions itself as a European Technology hub.

> WhatsApp, PayPal and Grammarly originated in Ukraine and were co-founded by Ukrainians. Ukraine is in a perfect location to operate between Europe and Asia in the movement of goods and services. Its pending membership of the EU attracts investors from Asia that are looking to avoid tariffs that they would otherwise be subject to if operating outside of the trading bloc. The country possesses a highly educated workforce and substantial levels of technical knowledge among its population. Highly educated and skilled displaced Ukrainians have returned because of opportunities in well-paying fields. Incentivising multinational companies to adopt Ukraine as a base for their European operations provide two major benefits to the economy. It generates more taxable revenue that can be used for redevelopment and it encourages displaced Ukrainians to return. The government has also passed legislation that prevents foreign corporations from owning property and causing substantial inflation in the cost of homes and rent. It learned from the experience of Ireland, where foreign corporations bought a vast amount of property and priced Irish citizens out of the housing market.

# CONCLUSION

Across the various visions for the future, there is a strong belief that Ukraine can rebuild and recover holistically and serve as an attractive location for both Ukrainians and Europeans to live and work in. This vision is underlined by a focus on inclusive community-building, democratic principles, education, and sustainable development. A powerful recurring theme across all groups was the resilient adaptation for the future which is based on a comprehensive long-term approach to reforming the crucial agricultural and energy sectors. Furthermore, the ambassadors envision Ukraine rebuilding accessible cities by providing public social housing and incentivising public transport. Finally, these hopes for the future also include the reformation of public institutions so as to foster good governance and retain skilled professionals for the public sector.

It is now the task of the 20 “Rebuild Ukraine Ambassadors” to share and discuss their vision for the sustainable rebuilding of Ukraine within their communities and with decision-makers - if you are interested in joining this effort please reach out to us.

At this time, the country is facing the most serious challenge to its security, prosperity, and way of life since post-Soviet independence. Therefore, it is essential that younger voices are integrated into the discussion about the future of their country and its relationship to the European continent as whole since they will be the ones most affected by these decisions. The “Rebuild Ukraine Ambassadors” offer unique and valuable perspectives to often insular policy debates and, most importantly, they will strive to be the agents of change for Ukraine and Europe in the years and decades to come.

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CLIMATE YOUTH ACTION PLAN

REBUILD UKRAINE LAB 2023

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