

Report:

A Plan without Marshall: Getting Ready for Ukraine's post-war reconstruction

On the 7th November, EUROPEUM Institute for European Policy under Think Visegrad platform organized an expert meeting focusing on current developments regarding the reconstruction of Ukraine, both on the side of the EU through its ambitious Ukraine Facility and through the lenses of international support for Ukraine's recovery and reconstruction. The speakers discussed the current capabilities, strengths, and weaknesses of the EU's approach to Ukraine's recovery and the nexus between the successful reconstruction and the accession of Ukraine into EU and NATO. They assessed the priority needs both for the EU and Ukraine in terms of security arrangements, Ukraine's reform processes and capacity building to facilitate financial support and attract further private investments. They also tried to find an answer to the following question: "How can we ensure that tools available for Ukraine's recovery foster a smooth transition towards a modern economy and support its path towards EU membership?". This discussion was held under the Chatham House rules.

First of all, at the beginning of the discussion, the speakers have agreed that the current geopolitical implications draw attention of the member states and the EU institutions towards the reflection of the position towards the EU Enlargement and its necessity. However, the speakers were not united on the issues connected to the accession process of Ukraine and its possible gradual integration to EU policies. Some of them argued that the processes of reconstruction and EU accession should not be linked, as they could further complicate progress on those two fronts. Furthermore, some speakers raised the issue of the impacts of an ongoing war on the negotiation process. There was a clear understanding that the process of EU and NATO integration is dependent on the termination or at least a freezing of the conflict.

Due to the Russian war, Ukraine suffered an enormous economic loss. In 2022, this was seen in a drop of economic performance of Ukraine by almost 30%, thus requiring a massive \$400 billion recovery effort by the EU and US to support Ukraine economically. The EU's plan for the Ukraine Facility is an important, but only first, step in this endeavor. Some of the panelists highlighted the complicated nature of Ukraine's Facility plan and its distribution between public and private funding, second being strongly tied to the efforts of ending the war. Experts also recognized the discrepancy in financial support of international donors, indicating a \$10 billion shortfall despite collaborative efforts from multiple countries, notably highlighting the significant \$12 billion contribution from the United States compared to the European Union's 8 billion. One panelist stated that not only Ukraine, but also the EU are not ready for the reconstruction.

On the other hand, speakers agreed that the reconstruction efforts have to be seen as an opportunity to rebuild Ukraine in an sustainable and progressive manner, conditioned by a strong focus on climate and digital ambitions of the EU. Although the implementation of the funds available within the Facility will be challenging in terms of capacities and expertise of public administration and civil society, this process can also further strengthen principles of good governance and anti-corruption measures. To achieve this, both Ukraine and the EU with its member states will have to support this process. The potential of a successful green recovery can have an enormous effect on the accession process of Ukraine to the EU, not only from the perspective of fundamentals and climate policies, but also by modernizing Ukraine's economy.

Lastly, the discussion turned to the topic of electoral processes in Ukraine, as the country is set to hold both presidential and parliamentary elections in the upcoming year. Of course, this process is very complicated due to the ongoing war and a large number of refugees living in other European countries. Transparency of these processes will be crucial for political legitimacy of Ukraine in the upcoming years and it will have a direct impact on the ambitions of joining the EU and NATO. However, there are legitimate questions concerning security, both in physical and electoral terms, maintaining an orderly conduct and resiliency towards hybrid threats and interference.

To summarize, speakers agreed that given the unpredictable nature of current events, it's crucial to adopt precautionary measures and consider these uncertainties in our plans. Support of Ukraine has to be maintained through various platforms and tools and it will be dependent on long-term planning and sufficient financial instruments provided by the international actors, most importantly the EU and the US. Diversifying strategies becomes imperative to brace for varied outcomes. The future direction of the EU will depend on negotiations and compromises among these varying viewpoints.

About EUROPEUM

EUROPEUM Institute for European Policy is a non-profit, non-partisan, and independent think-tank focusing on European integration and cohesion. EUROPEUM contributes to democracy, security, stability, freedom, and solidarity across Europe as well as to active engagement of the Czech Republic in the European Union. EUROPEUM undertakes original research, organizes public events and educational activities, and formulates new ideas and recommendations to improve European and Czech policy making. We are the recipient of institutional funding from the European Commission under the Citizens, Equality, Rights and Values (CERV) programme.