

Report

**Restoration of public authorities
in the de-occupied territories
2014-2023: analysing the experience
and needs of communities**



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The findings of this report are the exclusive responsibility of the NGO “Agency for Legislative Initiatives» and do not necessarily represent the position of the European Union.

The report was peer-reviewed by the following experts:

Anatolii Tkachuk,

Expert on decentralisation and regional development, Research and Development Director at the Civil Society Institute



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List of abbreviations

ATO – Anti-terrorist operation in eastern Ukraine
CF – Charitable foundation
MA – Military administration
CMA – Civil-military administration
IDP – Internally displaced person
VRU – Verkhovna Rada of Ukraine
GDP – Gross domestic product
CSO – Civil society organisation
SES – State Emergency Service of Ukraine
SRDF – State Fund for Regional Development
Law – Law of Ukraine
CSI – Civil society institution
MI – Municipal institution
CMU – Cabinet of Ministers of Ukraine
ME – Municipal enterprise
CU – Constitution of Ukraine
MinRegion – Ministry of Communities and Territories Development of Ukraine
MinTOT – Ministry of Temporarily Occupied Territories and Internally Displaced Persons
MinFin – Ministry of Finance of Ukraine
NLA – Normative legal act
RMA – Regional military administration
RSA – Regional state administration
LSG – Local self-government body
ASC – Administrative service centre
CEB – Central executive body

SUMMARY

An analysis of the experience of restoring the de-occupied communities of Ukraine shows that the state policy of restoration both in 2014-2021 and after the full-scale Russian invasion changed from the restoration of exclusively infrastructure facilities to the development of long-term objectives for the development of territories. However, no general systematic approach to the restoration of de-occupied communities has been established at the state level, as there are still inconsistencies in the criteria for the types of territories depending on security conditions, no national policy on IDPs and forced migrants, and no coordination and cooperation between different departments of different ministries. All of these and a number of other factors, which are substantiated in the study, have an impact on community recovery and development.

The processes of the recovery policy in 2014-2021 can be divided into several stages, characterised by different approaches, mainly the reconstruction of infrastructure facilities. The policy of reintegration of Donetsk and Luhansk regions began to be developed more actively in 2019, in the 5th year of Russia's war against Ukraine.

In general, the policy of restoring the territories in 2014 was characterised by the following aspects:

1. Lack of clear priorities at the first stage of recovery and focus on restoring infrastructure facilities and providing basic services to residents and IDPs

In 2014, the restoration of de-occupied settlements was carried out at the expense of some reconstruction and construction projects and funds from international partners. The planning of long-term tasks, which should have included improving the overall standard of living, optimising service delivery and strengthening social cohesion, and reintegrating Donetsk and Luhansk oblasts, was not systematic until 2016, leading to irrational allocation of resources.

2. Institutional rethinking of the recovery process

To ensure interaction between all stakeholders in the recovery process, the Ministry of Temporarily Occupied Territories and Internally Displaced Persons of Ukraine was established as a result of a consistent institutional transformation, which was later reorganised into the Ministry of Reintegration of the Temporarily Occupied Territories. Temporary civil-military administrations were formed in the settlements, which became an alternative option for restoring local authorities in the de-occupied territories after 2014.

3. Lack of a transparent resource allocation principle

Sources of funding included funds from the state budget, local budgets, and international financial assistance. The State Fund for Regional Development (SFRD) was identified as one of the main sources of funding for recovery projects. However, the prioritisation of development projects for the territories affected by Russian aggression depended on the priorities set by the RSAs and was also limited by the amount of expenditure, which led to the politicisation of the selection process. Consequently, there were violations of the law in the use of the SFRD funds.

4. There were systemic communication issues between different branches of power

The recovery policy orders developed at the central level were mostly of a general recommendatory nature and were not accompanied by detailed methodological explanations. Communication between local and regional authorities was based on personal contacts, which led to the promotion of the interests of certain territories with active leaders and available resources.

5. Implementation of sectoral and local government reforms has contributed to improved recovery in the socio-economic spheres

Decentralisation contributed to the recovery, in particular in the context of interaction between different levels of government, bringing services closer to people through the establishment of ASCs, and opportunities for resource mobilisation. Healthcare reform and the activities of mobile medical teams have had a positive impact on the restoration of healthcare services in the affected areas.

6. Lack of defined criteria for the types of areas that needed to be restored

The legal acts that had an impact on the recovery were applied to different territories in different situations. While in the case of the temporarily occupied territories, the list and boundaries were specified in a separate government order, no indicators were defined for classifying the territories as those that had been negatively affected by armed aggression. Thus, the absence of a clear algorithm for typing the territories led to uncertainty in the distribution of responsibility between the implementers of the region's recovery and development measures, as well as to an unfair distribution of financial resources.

The policy of restoration of the de-occupied communities after 2022 has different features compared to the processes before the full-scale invasion, as the scale of destruction, the number of IDPs and forced migrants is much higher. In general, the policy of restoring the de-occupied communities in 2022 is characterised by the following aspects:

1. Lack of a unified policy for the restoration of de-occupied communities

The first and unified document reflecting the directions of recovery – the Recovery Plan of Ukraine – has not yet been approved. In addition, it needs to be revised due to the duplication of activities between different programmes of the Plan and inconsistencies between programmes.

2. Existence of “conflicting provisions” in two legal acts related to recovery

According to the bylaws adopted under the Law of Ukraine “On the Principles of State Regional Policy”, the Comprehensive Recovery Programme is required for the preparation of the Recovery Plan. In contrast, the Law of Ukraine “On Regulation of Urban Development” makes the Comprehensive Recovery Programme optional.

3. Lack of coordination between institutions and agencies at the central level

The lack of coordination between agencies at the central government level slows down the recovery process in communities, thus significantly delaying the decision-making process. This requires a systematic combination of national-level recovery policies with clear indicators and guidelines for communities. And each ministry should understand their role in the recovery process and the assistance they can provide to communities.

4. The category of “recovery” has a broader meaning for stakeholders than “reconstruction”

Stakeholders’ perceptions of recovery do not differ much from the interpretation of this concept in legal acts. In their view, recovery refers to a combination of reconstruction (i.e., restoration of infrastructure) and modernisation (i.e., attracting investment and planning long-term activities).

Although stakeholders consider reconstruction as part of recovery, i.e. its first stage, the two concepts are rather synonymous in the legal framework.

5. Local authorities faced difficulties in the early stages of recovery, namely in conducting damage assessments

Local authorities were often unable to carry out a quick and high-quality assessment of the damage on their own, and thus this issue requires support from higher levels of government. The main lines of support could be of human and technical nature.

6. Lack of a preparatory phase for recovery coordinated by the central government

As damage assessment and prioritisation are unlikely to be possible until the actual liberation of the territories, a preparatory phase is advisable. Preliminary preparations can significantly speed up the implementation of recovery tasks and solve the problems that will obviously arise immediately after de-occupation.

7. The development of planning documents is mandatory for communities, but local authorities face a number of difficulties in their preparation

Lack of qualified staff, project management skills, experience in writing planning documents; lack of a defined national policy (e.g. on issues such as the return of IDPs and refugees, identification of types of territories with special conditions, such as the degree of destruction, proximity to the border with Russia, low population density, etc.); – all these factors affect the planning of community recovery measures.

INTRODUCTION

The military aggression of the Russian Federation, which began in 2014 and expanded in 2022, has caused catastrophic consequences for Ukraine, such as human casualties, large-scale destruction, temporary occupation of part of the territory, mass migration, etc.

According to experts, as of June 2023, since the beginning of the full-scale Russian military invasion, the total amount of direct documented damage to Ukraine's infrastructure is estimated at **\$150.5 billion** (at replacement cost). The largest share of the total direct losses is the loss of housing stock – **\$55.9 billion**, including approximately **\$1 billion** in losses from flooding and destruction of residential buildings as a result of the hydroelectric power station explosion. The most damaged housing stock was found in the cities of Mariupol, Kharkiv, Chernihiv, Sievierodonetsk, Rubizhne, Bakhmut, Maryinka, Lysychansk, Popasna, Izyum and Volnovakha. For example, according to preliminary estimates, **90%** of the housing stock in Sievierodonetsk was damaged, while cities such as Bakhmut and Maryinka have almost no buildings left intact. Business asset losses are estimated at **\$11.4 billion** and are still growing. Education is also one of the most affected sectors, with direct documented losses from the destruction of educational institutions amounting to **\$9.7 billion**. In total, almost **3,400** educational institutions have been damaged as a result of the hostilities¹.

In addition to the destruction of infrastructure, the war has led to mass migration of Ukrainians. According to the UN, the number of refugees from Ukraine registered for Temporary Protection or similar national protection schemes in Europe reached **5 million 8.34 thousand**² as of August 2023. Part of the territory of Ukraine is still under temporary occupation. According to the Ministry of Reintegration of the Temporarily Occupied Territories, as of August 2023, the Autonomous Republic of Crimea, parts of Donetsk, Zaporizhzhia, Luhansk, Mykolaiv, Kharkiv, and Kherson regions are still temporarily occupied by Russia³.

1 As of June 2023, the total amount of direct damage to Ukraine's infrastructure caused by the war exceeded \$150 billion: <https://kse.ua/ua/about-the-school/news/zagalna-suma-pryamih-zbitkiv-zavdana-infrastrukturi-ukrayini-cherez-viynu-za-pidsumkami-cherwnya-2023-roku-perevishhila-150-mlrd/>

2 Office of the United Nations High Commissioner for Refugees: https://data.unhcr.org/en/situations/ukraine#_ga=2.228732760.514168680.1646989952-176134281.1646551413

3 List of territories where hostilities are (were) conducted or temporarily occupied by the Russian Federation: https://minre.gov.ua/wp-content/uploads/2023/08/perelik_zatverdzhenyj_nakazom_224_vid_17_08_2023_1.pdf

The purpose of the study is to summarise the recovery needs of the de-occupied communities and to develop recommendations for state authorities and local self-government bodies on how to organise the recovery process in the context of ongoing war. To achieve this goal, on the one hand, the state policies on the restoration of territories (2014-2023) were analysed. Possible shortcomings of previous practices and legal gaps can be considered in the development of current policies and the implementation of modern approaches to the restoration of de-occupied communities. However, it is important to note that after Russia's full-scale invasion, the level of damage is higher and the demographic situation is more critical. On the other hand, interviews were conducted with representatives of the authorities (state and local), experts and civil society organisations (from Donetsk and Luhansk oblasts). To understand the context of the study and interpret the results, it is necessary to make a categorical clarification. In our study, the term "restoration of territorial communities" is the most commonly used. We use the term "*recovery policy*" to describe the recovery system as a policy measure⁴.

The report consists of several parts. The first section, "Overview of the State Policy on Recovery and Reintegration 2014-2021", analyses the peculiarities of the coordination processes of recovery, as well as the content of the legal acts adopted during 2014-2021, i.e. before the full-scale Russian invasion. The second section, "Analysis of the practices of restoring the de-occupied territories in 2014-2021", contains information on how the restoration policy measures were implemented in Donetsk and Luhansk regions, as well as the problems faced by local authorities in the process of restoring the territories. The third section, "Overview of the State Policy on the Recovery of Ukrainian Communities after the Full-scale Invasion", provides information on the existing regulations and a brief overview thereof. The fourth section, "Practices of Recovering De-occupied Communities after a Full-Scale Invasion", provides information on the processes of recovery of de-occupied communities in Ukraine and the challenges they face.

4 For more details on the conceptual and categorical apparatus, see Annex 1 "Brief overview of the main research categories"

Methodology of the study

The study is based on qualitative methods and was conducted in several stages:

1. Desk research. Analysis of legal acts developed in 2014-2023 that influenced the recovery process; analysis of open sources related to recovery issues;
2. Semi-structured in-depth interviews. The total number of interviews was 33. The interviews were conducted face-to-face or via video in February-April 2023. Categories of respondents: representatives of the state (Ministry of Community Development, Territories and Infrastructure of Ukraine; Verkhovna Rada, military administrations) and local authorities of the de-occupied communities, NGOs (from Donetsk and Luhansk oblasts) and experts (in education, healthcare, administrative services). Representatives of de-occupied communities from the following oblasts were interviewed: Kyiv (3 communities), Sumy (3), Mykolaiv (1), Kharkiv (2), Kherson (2), Luhansk (5), and Chernihiv (4).

Prior to the study and in consultation with stakeholders (MPs, representatives of the executive branch), guides for different categories of respondents were developed to serve as a benchmark for the researchers. As the interviews were semi-structured, the researchers could ask clarifying questions if the conversation with the respondents required it. As the interviews were recorded for further analysis and transcribed to identify key codes, all participants were informed before the interview that participation was voluntary and that all information provided was confidential and anonymous.

The study participants were recruited through personal contacts and using the *snowball method*. The researchers were prepared for the distortions that could potentially occur in the study design, as the sample of respondents was adjusted due to the refusal of some respondents from de-occupied communities to be interviewed. This is primarily due to the security factor and lack of time. However, the study does not claim to be representative, and its main goal is to summarise the recovery needs of de-occupied communities and provide recommendations to stakeholders on how to organise the recovery process. This will help improve the process in the future in those communities that are currently temporarily occupied and will need to be restored in the future.

The limitation of using the results of this study is the impossibility of accounting for future scenarios, in particular in the context of the security factor and the duration of the territories' stay in temporary occupation. However, the recommendations can be adapted to specific situations to develop strategies and policies for the restoration of de-occupied communities in Ukraine. The research report is also intended for both policy makers and the public at large, as it enables readers to form an understanding of the practices of restoring Ukrainian communities in the context of the ongoing war.

Chapter 1.

Overview of the state policy on recovery and reintegration 2014-2021



This section analyses the issues related to two dimensions of the recovery policy — normative and institutional.

On the one hand, a number of state recovery policy documents adopted in 2014-2021, i.e. before the full-scale Russian invasion, are analysed and their summaries are presented. On the other hand, the author describes the role of institutions involved in the development, implementation and coordination of the policy of restoration of the de-occupied territories. In particular, the role of such CEBs as the Ministry of Communities and Territories Development of Ukraine, the Ministry of Reintegration of the Temporarily Occupied Territories, and the Ministry of Infrastructure of Ukraine, as well as the coordination of these CEBs with international initiatives operating in eastern Ukraine.

The implementation of recovery policy measures began in Ukraine in 2014, after the liberation of part of the Donetsk and Luhansk regions. However, this process was influenced by a number of factors and objective reasons, namely:

- ▶ changes in the political situation in the country after the Revolution of Dignity;
- ▶ the launch of a number of reforms (including decentralisation);
- ▶ lack of relevant historical experience in restoring territories in the context of an ongoing war and temporarily occupied territories;
- ▶ lack of experience of systematic cooperation with international partners;
- ▶ the general unpredictability of war-related developments.

These factors had both a positive and negative impact. On the one hand, the change in the political situation in the country led to the launch of a number of reforms that subsequently had a qualitative impact on the development and implementation of recovery policy. On the other hand, these challenges were new for Ukraine, and the lack of previous experience in organising recovery in the context of an ongoing war affected the quality and coordination of recovery policy in the initial stages.

The recovery policy was based on two dimensions – normative and institutional. On the one hand, legal acts were adopted that enshrined the measures of the recovery policy. On the other hand, new institutions were created and

existing ministries responsible for implementing recovery policy measures were reorganised. In some cases, the solutions that were developed were successful, in some – not so much. But again, this was influenced by objective factors. In general, during 2014-2021, legal acts were developed, including Regional Development Strategies, the Programme for the Restoration and Peacebuilding in the Eastern Regions of Ukraine, the Strategy for Economic Development of Donetsk and Luhansk Regions, and a number of others. In addition, the multi-sectoral recovery efforts required coordination between central and local authorities, as well as the participation of civil society organisations and international partners. Ensuring interaction between all stakeholders in the recovery process was entrusted to the specialised central government agencies, which were created and reformed in line with the changing vision of the recovery process. Thus, the State Agency of Ukraine for the Restoration of Donbas was transformed into the Ministry of Temporarily Occupied Territories and Internally Displaced Persons, which in turn was reorganised into the Ministry of Reintegration of the Temporarily Occupied Territories.

Depending on the change in approaches, the 2014-2021 recovery policy measures can be divided into stages:

- ▶ **2014-2015** – characterised by the partial implementation of recovery policy measures, which consisted of the development of regulations and the introduction of institutions to coordinate processes. The main focus is on rebuilding infrastructure and providing basic services to the population;
- ▶ **2016-2018** – raising the issue of cohesion of the de-occupied territories, supporting small and medium-sized businesses, and actively engaging international programmes for the restoration of the territories;
- ▶ **2019-2021** – the concept of “reintegration” is introduced in the public discourse and recovery policy measures are developed with a focus on the reintegration of the de-occupied territories.

2014-2015: the first phase of the recovery policy

The policy of restoration of the de-occupied territories became relevant immediately after the liberation of parts of Donetsk and Luhansk regions in 2014. At this stage, both government officials and international partners and civil society organisations were involved in implementing recovery measures.

The first document to set out the main objectives of the recovery policy was the State Strategy for Regional Development for 2015-2020⁵.

Thus, the Strategy called for the creation of a two-stage State Target Programme to restore peaceful life, stabilise the situation and develop the economy in Donetsk and Luhansk regions. The first phase was to restore the functioning of the government, critical infrastructure, and meet the social needs of residents and IDPs, while the second phase was to create a favourable business climate and socio-economic incentives to increase investment attractiveness. The Strategy document also envisaged measures related to the protection of national interests and the rights of citizens in the temporarily occupied territory of Crimea and Sevastopol and to return these territories.

The next step was the adoption of an *Action Plan to organise the restoration of damaged (destroyed) social and transport infrastructure, housing and life support systems in Donetsk and Luhansk oblasts⁶*, which provided for the establishment of local infrastructure recovery headquarters, development of the necessary regulations, assessment of the extent of damage and priorities for the reconstruction of infrastructure, and generation of funding sources. Therefore, this Plan specified the aspects of the reconstruction of destroyed facilities, which was necessary at the first stage of the recovery policy, and the overall organisational and technical support of this process. Responsibility for the implementation of the plan was assigned to a number of central (Ministry of Regional Development, Construction, Housing and Communal Services of Ukraine; Ministry of Infrastructure; Ministry of Social Policy; Ministry of Finance, etc.)

5 Resolution of the Cabinet of Ministers of Ukraine of 6 August 2014, No. 385 «On Approval of the State Strategy for Regional Development for the Period up to 2020»(UKR): <https://zakon.rada.gov.ua/laws/show/385-2014-%D0%BF#Text>

6 Order of the Cabinet of Ministers of Ukraine of 16 October 2014, No. 1002-r «On Approval of the Action Plan for the Restoration of Damaged (Destroyed) Social and Transport Infrastructure, Housing and Life Support Systems in Donetsk and Luhansk Regions»(UKR): <https://zakon.rada.gov.ua/laws/show/1002-2014-%D1%80#n7>

and local authorities, as well as to the *newly established State Agency of Ukraine for the Recovery of Donbas*⁷. In fact, the Agency was the first attempt to create a separate body tasked with implementing the state recovery policy and coordinating the actions of central and local authorities, ensuring social protection of displaced persons and facilitating international support in Donetsk and Luhansk regions.

In parallel with attempts to identify priorities and mechanisms for the restoration of the territories, there was a need for a semantic and institutional review of the functions of local authorities in Donetsk and Luhansk regions. Thus, *in September 2014, the Law of Ukraine “On the Special Procedure of Local Self-Government in Certain Districts of Donetsk and Luhansk Regions”*⁸ was adopted.

The prerequisite for the adoption of the law was the requirements of the Minsk agreements as an attempt to end the war through political and diplomatic means. The goal was to create conditions for the normalisation of the security situation and the restoration of law and order, the return of residents to the de-occupied territories and their reintegration. The Law also provided for state support for the socio-economic development of certain districts of Donetsk and Luhansk oblasts, which was intended to help restore infrastructure and improve the business climate in the region. The Law actually applied to the ATO areas, with the list of settlements defined by a separate decision of the Verkhovna Rada of Ukraine⁹. The adoption of the Law caused a lot of controversy among MPs and the expert community, in particular due to the inconsistency of its provisions with the Constitution of Ukraine. Thus, the constitutional petition of 53 MPs pointed to the following violations¹⁰:

- ▶ *the provisions of the Constitution of Ukraine on the principle of sovereignty and independence*: the Law granted powers to the territories occupied by Russia; was adopted under the external influence of Russia; limits Ukraine’s sovereignty over the part of Ukraine’s territory occupied by Russia;

7 CMU Resolution No. 655 of 26 November 2014 «Some issues of the State Agency for the Recovery of Donbas»: <https://zakon.rada.gov.ua/laws/show/655-2014-%D0%BF#Text>

8 Law of Ukraine «On the Special Procedure of Local Self-Government in Certain Districts of Donetsk and Luhansk Regions» (UKR): <https://zakon.rada.gov.ua/laws/show/1680-18#Text>

9 Resolution of the Verkhovna Rada of Ukraine of 17 March 2015 No 252-VIII «On the Designation of Certain Districts, Cities, Towns and Villages of Donetsk and Luhansk Regions, where a Special Procedure for Local Self-Government is Introduced» (UKR): <https://zakon.rada.gov.ua/laws/show/252-19#Text>

10 Constitutional motion (UKR): https://ccu.gov.ua/sites/default/files/3_4691.pdf

- ▶ ***the principle of unity***: the Law defined the territories under Russian occupation as separate districts; created a separate legal framework for a part of the territory of Ukraine and endowed it with signs of sovereignty; threatened the consolidation and development of the Ukrainian nation;
- ▶ ***the principle of the rule of law***, namely: the legality of the Constitution of Ukraine, prohibition of arbitrariness, access to justice, respect for human rights, prohibition of discrimination;
- ▶ ***the principle of democracy***: the Law prohibits early termination of powers of local authorities elected in early elections; it establishes rules for holding early elections to local authorities in the occupied territories;
- ▶ ***the principle of local self-government***: the Law establishes a special procedure for local self-government for “separate districts” that has no constitutional grounds;
- ▶ ***the constitutional procedure during the adoption of the law***: voting took place in a closed session, without displaying information on the voting results on the scoreboard; the lack of information on the voting results on the pages of the draft law.

Another important law in terms of establishing the legal framework for local government was the *Law of Ukraine “On Civil-Military Administrations”*¹¹. It was envisaged that in certain parts of Donetsk and Luhansk regions, where the powers of local self-government bodies were not exercised, in particular as a result of their actual self-removal, the CMAs would function. In 2015, there were 19 civil-military administrations in Donetsk and Luhansk regions. Two of them were regional administrations – Luhansk and Donetsk, and the remaining 17 were city, village and settlement CMAs¹². These temporary structures were established by the decision of the President of Ukraine, depending on the security situation and the ability of local authorities to function. The main function of the CMA is to ensure public order and security in the territories where hostilities are taking place and to prevent a humanitarian catastrophe in the area of the Anti-Terrorist Operation. This is a top priority in a time of war. The powers of the Civil-Military Administration also included civilian tasks in the areas of planning and socio-economic development, drafting and approving local budgets, setting tariffs, managing property, etc. On the one

11 Law of Ukraine «On Civil-Military Administrations» (UKR): <https://zakon.rada.gov.ua/laws/show/141-19#Text>

12 Annex 2 contains a detailed list of the CMAs in Donetsk and Luhansk regions established in 2015

hand, the introduction of civil-military administrations was an alternative option for solving social and humanitarian problems in the territories of Donetsk and Luhansk oblasts, where local authorities were not fulfilling their powers. On the other hand, the first version of the Law contained provisions that contradicted the Constitution of Ukraine¹³.

Already at the first stage of recovery, international partners began their activities in the de-occupied territories. International cooperation programmes have been effective mechanisms for implementing recovery policy measures, as they have provided Ukraine with significant funding and support for recovery. In 2014, the European Investment Bank and the Government of Ukraine signed an *Agreement on an Emergency Credit Programme for the Recovery of Ukraine to provide a loan of €200 million to finance local projects*, which were mainly aimed at rebuilding social infrastructure and improving the living conditions of IDPs¹⁴. The peculiarity of the Programme was that it covered three groups of territories, namely: districts of Donetsk and Luhansk oblasts that suffered from the negative effects of the armed aggression of the Russian Federation on the territory controlled by Ukraine; adjacent regions that received the largest number of IDPs (Kharkiv, Dnipro and Zaporizhzhia oblasts); and other city councils that faced difficulties in providing basic services due to the large number of IDPs. The provision of subventions to local budgets for the implementation of projects under the Programme was governed by MinRegion and acted as its main administrator¹⁵.

13 The Main Scientific and Expert Directorate noted that the following violations of the constitutional provisions occurred subordination of the CMA to the ATC body under the SBU and belonging to its structure (due to the fact that the CMA was granted the powers of local self-government bodies, while the ATC and the SBU have a different sphere of competence that differs from local self-government bodies); granting the CMA the power to cancel acts of executive bodies of the council that do not comply with the constitution (according to the Constitution, decisions of local self-government bodies can be suspended with simultaneous appeal to the court); lack of clear criteria for the establishment of the CMA; novelties regarding the President's powers to approve the list of positions in the CMA; lack of clear regulations on the legal status of the CMA as a legal entity; inconsistency of certain provisions of the Laws of Ukraine «On Local Self-Government in Ukraine», «On Local State Administrations», «On the Security Service of Ukraine».

14 Financial Agreement between Ukraine and the European Investment Bank (Emergency Loan Programme for Ukraine's Recovery) (UKR): https://zakon.rada.gov.ua/laws/show/971_014/ed20141222#Text

15 Resolution of the Cabinet of Ministers of Ukraine No. 1068 of 25 November 2015 «Some issues of using funds for the implementation of projects under the Emergency Credit Programme for the Restoration of Ukraine» (UKR): <https://zakon.rada.gov.ua/laws/show/1068-2015-%D0%BF/ed20151125#Text>

In 2015, the Government of Ukraine and the Government of Japan signed an *Agreement on the provision of a non-project grant to Ukraine for the purchase of special equipment for the restoration of the eastern regions of Ukraine*¹⁶, *an Agreed Protocol on procedural details and a Protocol of Discussion on anti-corruption*. The Ministry of Regional Development, Construction, Housing and Communal Services of Ukraine played the key role in communication and cooperation on the grant funds. In general, the Government of Japan systematically supported the restoration of Donbas through financial assistance packages in various areas (healthcare, education, etc.)¹⁷¹⁸. Particular attention was directed to the social sector, assistance to IDPs, and business support. International partners primarily directed their assistance to expanding these types of programmes¹⁹.

Thus, 2014-2015 was, in fact, the first stage of development and partial implementation of the state recovery policy.

However, at this stage, no clear priorities, holistic recovery approach or mechanisms were developed. In fact, the recovery policy and its measures were aimed solely at rebuilding infrastructure and restoring basic services for residents and IDPs. In addition, there were attempts to regulate and improve coordination processes through the creation of separate institutions at both the central executive and local government levels. Ukraine's international partners played an important role in providing the necessary funding.

16 The Government of Japan has provided the Government of Ukraine with USD 4.2 million for the restoration of Donbas: <https://www.kmu.gov.ua/news/248050270>

17 Donbas to receive USD 16.6 million from Japan (UKR): https://www.ukrinform.ua/rubric-other_news/1811878-donbas_otrimae_vid_yaponiii_ponad_165_milyona_2018299.html

18 An international programme of assistance to educational institutions is being implemented in Donetsk region (UKR): <https://mon.gov.ua/ua/news/usi-novivni-novini-2015-09-10-na-donechchini-realizovuetsya-mizhnarodna-programa-dopomogi-osvitnim-zakladam>

19 UNDP, UNICEF, IOM, the Government of Japan and the Government of Ukraine will increase assistance to IDPs and contribute to the economic and social recovery of Eastern Ukraine (UKR): <https://ukraine.iom.int/uk/node/111981>

In 2016, the first systemic document was developed — the Concept of the State Targeted Programme for the Restoration and Peacebuilding in the Eastern Regions of Ukraine²⁰ — which included comprehensive measures and envisaged actions under three strategic components:

- ▶ restoration of critical infrastructure and social services;
- ▶ economic recovery;
- ▶ strengthening social resilience, building peace and public security, and developing a mechanism for social cohesion. In the context of this component, great importance was attached to the development of local self-government and decentralisation to create self-sufficient territorial communities; monitoring the situation in territorial communities in terms of vulnerability, risks and social ties; and providing psychological and social support to residents affected by the war.

To implement the Programme's activities²¹, it was envisaged to attract various sources of funding: the state budget, local budget, international financial and technical assistance. Additional sources of funding for the Programme's tasks and activities were identified as Multi-Partner Trust Funds for IDPs and Territorial Reconstruction²².

20 Order of the Cabinet of Ministers of Ukraine of 31 August 2016, No. 892-r «On Approval of the Concept of the State Target Programme for Restoration and Peacebuilding in the Eastern Regions of Ukraine» (UKR): <https://zakon.rada.gov.ua/laws/show/892-2016-%D1%80/print#n9>

21 Resolution of the CMU of 13 December 2017, No. 1071 «On Approval of the State Target Programme for the Restoration and Development of Peace in the Eastern Regions of Ukraine»: <https://zakon.rada.gov.ua/laws/show/1071-2017-%D0%BF/ed20171213#Text>

22 The establishment of the Trust Funds was enshrined in the Memorandum of Understanding on Cooperation between the Cabinet of Ministers of Ukraine, the United Nations and the International Bank for Reconstruction and Development on the Establishment of Multi-Partner Trust Funds (UKR): <https://www.kmu.gov.ua/npas/249350561>

It is important to note that the Programme had a number of significant differences from previous policy documents, namely:

- ▶ *programme-targeted method*: contained a list of tasks by area;
- ▶ *predictability of results*: contained performance indicators and expected results in the annual perspective until 2023;
- ▶ *extension of coverage*: the action was also extended to the neighbouring regions (Zaporizhzhia, Dnipropetrovsk and Kharkiv), which were also negatively affected by the severance of economic ties with Russia and the increase in the number of residents due to IDPs;
- ▶ *social cohesion: included measures to achieve social cohesion and rebuild trust, which laid the foundation for the state reintegration policy.*

The emphasis was on the need to consolidate the activities of central and local authorities, civil society organisations and international partners.

Other important documents that shaped development priorities and recovery plans included the annual *regional programmes of economic and social development of Donetsk²³ and Luhansk²⁴ oblasts*, which were developed by the regional administrations. These programmes were systematically amended in accordance with the current situation and quantitative indicators of the region's socio-economic spheres.

Based on the analysis, goals and priorities were developed, as well as measures required for the recovery and development of the region, and sources of funding were identified.

This period also saw the active involvement of international partners, who financed recovery policy measures in various areas: infrastructure restoration, provision of equipment for medical institutions, and humanitarian aid^{25 26}. The *“Ukrainian Donetsk Kurkul” project, which provided financial support to small businesses*, is particularly noteworthy. The project was aimed at

23 Programmes of economic and social development of Donetsk oblast (UKR): <https://dn.gov.ua/ekonomika/programi-rozvitku-regionu/programa-ekonomichnogo-i-socialnogo-rozvitku>

24 Programmes of social and economic development of Luhansk oblast (UKR): http://loga.gov.ua/oda/about/depart/economy/se_state/program/all

25 The Government of Japan to provide USD 13.64 million to support people and communities affected by the conflict in Eastern Ukraine: <https://www.kmu.gov.ua/news/249061296>

26 More than 13 thousand people received assistance in Donbas with USAID/OFDA funding: <https://www.adra.ua/bilshe-13-tisyach-osib-otrimali-dopomogu-na-donbasi/page/2/>

improving human potential and increasing resources in the areas that needed to be restored. In addition to providing funds for small businesses, the project operated a consultation line. In 2018, *251 projects* totalling UAH *108.5 million* were reviewed and *63 projects* totalling UAH *27.29 million* were awarded (co-financing from local budgets amounted to UAH *8.19 million*). The winning projects were expected to create *246 jobs*²⁷. In total, the project financed over *200 business projects* in Donetsk Oblast, which created about *760 new jobs*^{28,29}.

In addition to the adoption of policy documents and the implementation of individual projects, another aspect of the restoration of the territories was institutional. Poor coordination between government agencies and the involvement of a large number of actors in the recovery effort necessitated the creation of a separate central government body, the *Ministry of Temporarily Occupied Territories and Internally Displaced Persons*³⁰ (MinTOT).

The main tasks of the Ministry of Temporary Occupation and Transition were defined as follows:

- ▶ formulation and implementation of the state policy on the temporarily occupied territory of Ukraine, certain territories of Donetsk and Luhansk oblasts where the state authorities temporarily do not exercise their powers (ORDLO), and IDPs;
- ▶ peacebuilding, restoration and development of Donetsk and Luhansk regions;
- ▶ strategic planning for economic recovery and peacebuilding in the territories adversely affected by the war and/or temporary occupation;
- ▶ developing proposals on priorities for the restoration of infrastructure in the affected areas;
- ▶ coordinating the provision of humanitarian assistance to residents during the war.

27 Information on the «Ukrainian Donetsk Kurkul» project implementation: <https://dn.gov.ua/news/informatsiya-shhodo-realizatsiyi-proektu-ukrayinskyj-donetskyj-kurkul-5>

28 «Ukrainian Donetsk Kurkul»: <https://www.ukrinform.ua/rubric-regions/2591436-ukrainskij-doneckij-kurkul-profinansovali-ponad-200-biznesproektiv.html>

29 Entrepreneurs of Donetsk region received over UAH 35 million for business development: <https://dn.gov.ua/news/pidpriyemci-donechchini-otrimali-na-rozvitok-biznesu-ponad-35-mln-griven>

30 Resolution of the Cabinet of Ministers of Ukraine of 8 June 2016, No. 376 «Some issues of the Ministry of Temporarily Occupied Territories and Internally Displaced Persons»: <https://zakon.rada.gov.ua/laws/show/376-2016-%D0%BF/ed20160608#Text>

The Regulations on the Ministry stated that the territory of influence includes both the temporarily occupied territories of the ORDLO and Crimea and the territories affected by war and/or temporary occupation. The Ministry also provided proposals for identifying infrastructure facilities that needed to be rebuilt as a matter of priority in the affected areas. Therefore, this CEB was fully responsible for the strategic, humanitarian, social and infrastructure components in certain areas of Donetsk and Luhansk regions, including interaction with international organisations.

*Another attempt to strengthen the coordination of recovery was the creation of the Council for Recovery and Peacebuilding in Ukraine*³¹. One of the key tasks of the Council were to facilitate: 1) coordination between central and local authorities; 2) to involve the public in discussing the necessary measures; 3) the study of the experience of foreign countries that suffered the consequences of military operations in terms of recovery policy and apply their practices; 4) the preparation of proposals for a strategy for implementing the state policy of recovery and peacebuilding in the territories negatively affected by the war; and 5) increased investment in the recovery processes. The Council was to be composed of representatives of central executive bodies, individual regional state administrations, and international organisations. In fact, the creation of this institution was an attempt to unite all central executive bodies involved in recovery policy, regional authorities, as well as (by agreement) international partners and a representative of the Presidential Administration.

Thus, in 2016-2018, the main focus was on restoring the economic component, especially the development of small and medium-sized businesses. This is evidenced by the fact that a number of international programmes allocated funds for this aspect. In addition, it was during this period that the issue of social cohesion and resilience was first raised in recovery policy documents, which became the basis for reintegration and decentralisation processes in Donetsk and Luhansk oblasts.

31 Resolution of the Cabinet of Ministers of Ukraine of 14 September 2016, No. 672 «On the Establishment of the Council for the Restoration and Development of Peace in Ukraine»: <https://zakon.rada.gov.ua/laws/show/672-2016-%D0%BF#Text>

2019-2021: recovery and reintegration policy

Starting in 2019, along with the renewal of the state authorities, the process of transforming the categories of “de-occupation” and “recovery” began, namely, the term “*reintegration*” is gaining ground. In October 2019, two forums were held in Mariupol at the initiative of the newly elected President Volodymyr Zelenskyy: the “RE: think” investment forum and the “Unity Forum”. This was, in fact, the first practical attempt to identify comprehensive state approaches to the restoration of the de-occupied territories and their reintegration, taking into account the economic, social and cultural development of the entire region. This applied to both the territories controlled by Ukraine and the temporarily occupied ones.

The logical continuation of the reintegration policy was the *reform of the Ministry for Reintegration of the Temporarily Occupied Territories of Ukraine*³² and the *introduction of the post of the specialised Deputy Prime Minister*. One of the Ministry’s activities was to ensure the development and implementation of state policy on the temporarily occupied territories in Donetsk and Luhansk regions and the temporarily occupied territory of the Autonomous Republic of Crimea and the city of Sevastopol. In particular, the priority tasks and activities of the Ministry include the need for economic development and optimisation of social services in the government-controlled areas of Donetsk and Luhansk regions, ensuring compliance with legal norms and social guarantees for residents.

In 2020, there was also a need to *update the State Strategy for Regional Development for 2021-2027*³³. This need emerged, firstly, due to the expiry of the previous State Strategy of Regional Development for the period up to 2020, and secondly, due to the introduction of new approaches to strategic planning and financing of regional development, in particular in the context of the local government reform, which also applied to the territories of Donetsk and Luhansk oblasts. In addition, Ukraine faced new challenges related to the war, which had a significant impact on the situation in Donetsk and Luhansk oblasts. In particular, there is a significant difference in the level of development due to a lack of human resources, infrastructure destruction, migration, etc. Therefore, the new Strategy declared the identification of the types of territories requiring special mechanisms and instruments of state support. The comprehensive territorial approach

32 Resolution of the Cabinet of Ministers of Ukraine of 11 March 2020 No. 212 «Some issues of optimisation of the system of central executive authorities»: <https://zakon.rada.gov.ua/laws/show/212-2020-%D0%BF#Text>

33 Resolution of the Cabinet of Ministers of Ukraine No. 695 of 5 August 2020 «On Approval of the State Strategy for Regional Development for 2021-2027»: <https://zakon.rada.gov.ua/laws/show/695-2020-%D0%BF#Text>

helped to stimulate the use of the regions' own potential, while at the same time supporting the regions that needed it.

The main strategic goal of the state regional policy until 2027 was defined as *“creating an environment for a decent life for people in a united, decentralised, competitive and democratic Ukraine”*. The Strategy outlines three key objectives:

1. Formation of a cohesive state in the social, humanitarian, economic, environmental, security and spatial dimensions;
2. Increasing the level of competitiveness of the regions;
3. Development of effective multi-level governance.

A controversial issue that required more clarity was the financial support for the Strategy's implementation. It was suggested that funding should be provided by the state and local budgets, funds to be collected from the Russian Federation, the banking sector, and assistance from international partners. However, the increase in budget expenditures for the Strategy implementation was possible due to the growth of the revenue side, in particular, through the achievement of the results of the Strategy's measures. This interdependence of cause and effect factors made the implementation of the Strategy, at least at the initial stage, dependent on the assistance of international partners and business. The State Strategy for Regional Development mentions the restoration of territories and the rebuilding of the economic component of the regions affected by Russian aggression against Ukraine. Therefore, it was obvious that the formation of a cohesive state, as mentioned in the State Strategy for Regional Development, is impossible without developing the economic potential and restoring the affected regions, and granting them special preferences is a completely expected and obvious action.

The Strategy's Action Plan³⁴ proposed strengthening the development opportunities of the territories in need of state support. This included restoring and developing, as well as restructuring the economic potential of the regions affected by Russia's armed aggression against Ukraine. The Strategy's Action Plan objectives included the following: **1)** continuing the implementation of the State Targeted Programme for Recovery and Peacebuilding in eastern regions of Ukraine (2017); **2)** drafting the Economic Development Strategy for Donetsk and Luhansk oblasts until 2030; and **3)** increasing the dissemination of information content to support reintegration processes.

34 Order of the Cabinet of Ministers of Ukraine of 12 May 2021 No. 497-r «Some issues of implementation of the State Strategy for Regional Development for 2021-2027 in 2021-2023» (UKR): <https://zakon.rada.gov.ua/laws/show/497-2021-%D1%80#n12>

In accordance with the Strategy's Action Plan, the Concept of Economic Development of Donetsk and Luhansk³⁵ Oblasts and the Strategy for Economic Development of Donetsk and Luhansk Oblasts until 2030³⁶ were approved in 2020-2021.

The extension of the planning period was in line with both the general trend of Ukraine's transition to medium-term budget planning and the approach of integrated recovery and reintegration. Obviously, the territories of Donetsk and Luhansk oblasts required a different approach to regional development. Important in the above documents, from the point of view of the integrity of the approach, is the consideration of the region's specifics and the division of the process of resetting the economic component into two stages: first in the government-controlled territory, then, after the reintegration of the temporarily occupied territories, throughout the entire territory of Donetsk and Luhansk oblasts. The Concept's measures required the introduction of special guarantees and conditions for entrepreneurial activity, investment protection instruments, and other advanced approaches that significantly improved and created incentives for market operation. This, of course, required updating the regulatory framework, which was also envisaged in the recovery policy documents.

Recovery policy measures were funded by both the state and local budgets and international partners. In 2019-2021, various international programmes continued to operate: the UN Recovery and Peacebuilding Project in Eastern Ukraine³⁷, the USAID Economic Support for Eastern Ukraine project³⁸, and many others³⁹.

35 Order of the Cabinet of Ministers of Ukraine of 23 December 2020 No. 1660-r «On Approval of the Concept of Economic Development of Donetsk and Luhansk Regions» (UKR):

<https://zakon.rada.gov.ua/laws/show/1660-2020-%D1%80#Text>

36 Order of the Cabinet of Ministers of Ukraine of 18 August 2021 No. 1078-p «On Approval of the Economic Development Strategy of Donetsk and Luhansk Regions for the period up to 2030»:

<https://zakon.rada.gov.ua/laws/show/1078-2021-%D1%80#Text>

37 The United Nations Recovery and Peacebuilding Programme is announcing a grant for the development of self-help groups in eastern Ukraine, with 3 pillars: 1) infrastructure restoration and economic recovery; 2) local governance support and capacity building; and 3) social resilience and peacebuilding: <https://www.undp.org/uk/ukraine/prohrama-oon-iz-vidnovlennya-ta-rozbudovy-myru-oholoshuye-hrant-na-rozvytok-hrup-vzayemodopomohy-na-skhodi-ukrayiny>

38 USAID Economic Support to Eastern Ukraine Project: https://fscluster.org/sites/default/files/usaaid_era_inclusion_dec_2021_ukr.pdf

39 In 2021, international organisations continue to implement projects important for Donetsk oblast: <https://dn.gov.ua/news/mizhnarodni-organizaciyi-u-2021-roci-prodovzhyut-realizaciyu-vazhlyvih-dlya-donechchini-proyektiv>

In addition to programme documents, recovery and reintegration issues were regulated by laws. During 2020-2021, a number of legal acts were also adopted to regulate various social and humanitarian aspects in Donetsk and Luhansk oblasts. These covered the following issues:

In addition to programme documents, recovery and reintegration issues were regulated by laws. During 2020-2021, a number of legal acts were also adopted to regulate various social and humanitarian aspects in Donetsk and Luhansk oblasts. These covered the following issues:

- ▶ control of the movement of goods and people across the contact line;
- ▶ accounting and registration of internally displaced persons;
- ▶ provision of social benefits and services;
- ▶ creation of special conditions for admission of children from the temporarily occupied territories to higher education institutions, etc.

In early 2021, the Ministry of Reintegration of the Temporarily Occupied Territories presented the draft law “On Peculiarities of the State Policy of the Transition Period”⁴⁰.

The Draft Law of Ukraine was developed, inter alia, to implement the Decree issued by President of Ukraine Volodymyr Zelenskyy on the need to coordinate the reintegration of the de-occupied territories and the peaceful settlement of the war in Eastern Ukraine⁴¹. The initiators of the draft law noted that it is a framework law that establishes the foundations of state policy for the transition period and helps to overcome the consequences of Russia’s armed aggression. In this document, Ukraine for the first time outlined the rules and conditions for regaining control over the occupied territories.

40 Map of the draft law No. 5844 «On the Principles of State Policy for the Transition Period»: https://w1.cl.rada.gov.ua/pls/zweb2/webproc4_1?pf3511=72625

41 Decree of the President of Ukraine of 02 June 2021 No. 226 «On the Decision of the National Security and Defence Council of Ukraine of 2 June 2021 «On Some Issues of Intensification of the Process of Peaceful Settlement of the Situation in Donetsk and Luhansk Oblasts»»: <https://zakon.rada.gov.ua/laws/show/226/2021#Text>

The provisions of the draft law established the following principles of the state policy of restoration and reintegration:

- ▶ Russia is an “aggressor state” and an “occupying state”, and the “occupation forces of the Russian Federation” are operating in the territories not controlled by Ukraine;
- ▶ the temporarily occupied territories are “parts of the territory of Ukraine where the occupation forces, occupation administrations of the Russian Federation have established and exercise control”;
- ▶ the forced or automatic acquisition of Russian citizenship by residents of the occupied territories cannot be a ground for deprivation of Ukrainian citizenship, but such Russian citizenship will not be recognised;
- ▶ all property after de-occupation will be returned to owners under Ukrainian law. Ukraine will also receive title to the objects of the occupation forces created after the beginning of the temporary occupation;
- ▶ it is important to form a personnel reserve to work in the de-occupied territories during the war;
- ▶ determining the timing of the list of objects requiring priority restoration;
- ▶ engaging bilateral international cooperation to maintain and strengthen sanctions.

A fundamentally new element was the inclusion of measures to avoid re-occupation as part of the recovery process.

Such actions included not only defence policy issues, but also the implementation of an effective humanitarian and educational component, state support for the study of the Ukrainian language and history, national-patriotic education and the formation of a civic position. At the same time, the draft law contained a number of inconsistencies, created contradictions in existing legislation and required significant revision. Therefore, the draft law was withdrawn for revision, in particular due to the inconsistency of certain

provisions with the Normandy format of negotiations, which at that time was relied upon by the authorities as a tool for ending the war through political and diplomatic means⁴².

In particular, the draft law envisaged an algorithm for the reintegration of the temporarily occupied territories, as well as a division into wartime and post-war periods. These provisions, in fact, provided for the full return of the temporarily occupied territories of Ukraine, the restoration of justice in the de-occupied territories, and the recognition of Russia as an aggressor state.

Instead, the Normandy format envisaged a series of negotiations, and the participating countries called for the draft law to be withdrawn, as some of its provisions did not comply with the agreements. For example, the Minsk Agreements provide for a full amnesty, but the draft law on the transitional period based the principles of amnesty on international conventions. This means that war crimes and torture must be punished.

However, this draft law was a programme of action for the de-occupation of the territories in the future. It was not about implementing the Minsk agreements on a compromise basis. However, for tactical reasons, this draft law was withdrawn to allow the Normandy format negotiations to move forward. There were opinions among experts that the draft law should be returned to the legislative process if negotiations with Russia reached a “deadlock”.

Thus, the processes of recovery policy during 2014-2021 can be divided into several stages characterised by different approaches – from the restoration of exclusively infrastructure facilities to the establishment of long-term development goals for the de-occupied territories.

⁴² Experts from the Venice Commission have pointed out that the provisions of the draft law are not consistent with international law and are politicised: <https://www.eurointegration.com.ua/files/9/d/9d78792-venice.pdf>

Given certain shifts in recovery policy measures, the following main characteristics can be identified:

1. lack of clear priorities at the first stage of recovery and focus on rebuilding infrastructure facilities and providing basic services to residents and IDPs;
2. gradual establishment of cooperation with international partners who actively assisted in the implementation of recovery policy measures in Donetsk and Luhansk oblasts;
3. gradual conceptualisation of business development and investment attraction;
4. transition to a programme-targeted approach in the implementation of recovery policy measures;
5. improving coordination processes in the recovery through the reorganisation of ministries;
6. ensuring comprehensive recovery measures (both security, humanitarian, socio-economic) by establishing the CMA in the settlements of the eastern oblasts;
7. change of categories in public discourse – in particular, the concepts of “social cohesion” and “reintegration” are gaining importance;
8. coordination of recovery measures with reforms, in particular decentralisation. Thus, concepts have been developed at the regional level, taking into account the regional peculiarities and needs of Donetsk and Luhansk regions;
9. lack of defined criteria for the types of territories that needed to be restored. Regulatory acts that had an impact on recovery varied in different situations. While in the case of the temporarily occupied territories, the list and boundaries were defined by a separate governmental order, no indicators were defined for classifying the territories as those that had been negatively affected by armed aggression. Thus, the absence of a clear algorithm for typing the territories led to uncertainty in the distribution of responsibility between the implementers of the region’s recovery and development measures, as well as to an unfair distribution of financial resources.

Chapter 2.

Analysis of the practices of restoration of the de-occupied territories in 2014-2021



This section examines the practices of implementing recovery policy measures in the eastern regions of Ukraine, part of which were de-occupied before Russia’s full-scale invasion.

The analysis is based on the results of in-depth interviews with representatives of local authorities, civil society organisations and experts. The main focus is on an overview of the challenges faced in organising recovery and attempts to address them.

2.1. Governance in the de-occupied territories in 2014-2021

First of all, it is important to note the peculiarities of local self-government in the de-occupied territories after 2014. *Temporary civil-military administrations have become an alternative option for restoring local government and governance in the de-occupied territories.* Their creation was influenced by a number of objective reasons. Firstly, immediately after the de-occupation, many settlements faced the problem of a lack of human resources, which affected the ability of the respective local council to exercise the powers provided for by Ukrainian legislation. Secondly, many settlements were located close to the border with the aggressor, which created security risks for such territories. Thirdly, some cities, towns and villages were located at a greater distance from the territories in the rear. This caused more difficulties in delivering the necessary humanitarian aid to the residents. Therefore, the CMA’s management line was effective in coordinating the recovery process and providing services to residents.

Although the activities of the CMAs were regulated by a separate Law of Ukraine “On Civil-Military Administrations”⁴³, and CMA representatives performed all functions to provide residents with the necessary services and, in fact, exercised the powers of local self-government, they often faced various challenges.

43 Law of Ukraine “On Civil-Military Administrations”: <https://zakon.rada.gov.ua/laws/show/141-19/ed20150203#Text>

According to the respondents, immediately after the introduction of the CMAs, local residents did not trust them because the national authorities appointed the heads of the CMAs, mostly from outside the local community.

This created barriers to the perception of these people as leaders and cooperation with the public, as residents did not feel that they personally made certain decisions.

Furthermore, communication with the head of the military administration was often difficult due to the military approach to governance.

At the same time, it was clear that establishing effective communication with the public took time and effort for the leaders of the Civil-Military Administration. At the first stages of their activities, this was difficult, as there were urgent problems in the settlements of Donetsk and Luhansk oblasts related to the provision of housing, restoration of critical infrastructure, delivery of humanitarian aid, etc. All efforts were primarily focused on these issues.

On the one hand, a particular problem was the functioning of local authorities after the establishment of communities in 2020 in the frontline areas.

While the whole of Ukraine was electing local government representatives in the local elections, elections to councils were not possible in some communities in Donetsk and Luhansk oblasts⁴⁴. This was due to the proximity to the contact line and the lack of security guarantees for the elections. Another argument is that a special legislative procedure was needed to hold full-fledged elections in Donetsk and Luhansk oblasts. Therefore, the first local elections did not take place in 19 communities in Donetsk and Luhansk oblasts. And, accordingly, the model of the Civil-Military Administration was used in these territories: the President appoints the heads, and there is a special law on this.

44 See Annex 3 for a list of communities where CMAs have been established and elections have not been held.

On the other hand, the frontline communities were “equated” to the temporarily occupied territories at the regulatory level, which is why the state budget failed to support recovery projects in these areas^{45 46}.

Without adequate financial support, communities felt somewhat isolated from the rest of Ukraine. This created additional problems in communication between state and local authorities, as well as between local authorities and community residents.

Despite all the challenges in organising the work of local authorities in the eastern regions, the CMAs played an important role in stabilising the situation. Moreover, they exercised all the necessary powers to support the capacity of the Ukrainian local authorities in Donetsk and Luhansk oblasts.

2.2. Recovery planning and priority areas

As noted in Section I, the policy of restoring the territories varied from rebuilding infrastructure to reintegration and social cohesion in the eastern regions. Thus, there were no unified approaches to recovery, and the issue of reintegration was not generally observed in public discourse until 2019.

Given that the de-occupation of parts of Donetsk and Luhansk oblasts in 2014 was quite rapid – many areas were liberated within six months – recovery did not require detailed plans and strategies, according to local and state authorities (although they were developed by both central and regional authorities). And, compared to the scale of destruction after 2022, in 2014, there was no such level of consequences of hostilities.

45 The fate of local self-government: experience on the contact line: https://www.youtube.com/watch?v=gRyzEMCSVJw&ab_channel=UAMES%D0%BF%D1%80%D0%BE%D0%A3%D0%BA%D1%80%D0%B0%D1%97%D0%BD%D1%83%D1%82%D0%B0%D0%91%D0%BB%D0%B8%D0%B7%D1%8C%D0%BA%D0%B8%D0%B9%D0%A1%D1%85%D1%96%D0%B4

46 District 13. A frontline experiment in Toretsk: <https://life.pravda.com.ua/columns/2017/11/29/227685/>

Therefore, local authorities independently made decisions on measures and current problems — and, accordingly, immediately responded to them by attracting international financial assistance, state and local funds.

The prioritisation of areas for restoring the territories was rather ad hoc, in particular due to the impossibility of predicting the course of events in the ongoing war.

On the one hand, these trends were associated with the fact that there was no unified approach to recovery policy at the national level, which local authorities could use to guide their planning. On the other hand, representatives of local authorities emphasise the problems that affected the development and implementation of planning documents:

- ▶ *The need to promptly address urgent problems.* Respondents claim that there was not enough time to plan and prepare documents, as infrastructure and housing needed urgent reconstruction;
- ▶ *Lack of qualified personnel to prepare strategic documents.* Due to the migration of people from areas close to the border with the aggressor, there was a “staff shortage” in the territories, which did not allow for the full functioning of local councils;
- ▶ *Impossibility of using local budget funds to engage professional assistance in strategy development.* Local authorities were unable to legislate a budget item for engaging competent professionals to develop strategies;
- ▶ *Difficulty in taking into account the actual needs of the de-occupied territories* due to the constant migration of residents;
- ▶ *Lack of guaranteed funding for planned activities.* Representatives of local authorities noted that the development of strategies takes a lot of time, and at the same time, the national authorities did not provide guarantees for the funding of certain projects.

Therefore, one of the first stages of recovery was to assess the level of damage to the facilities and the possibility of their reconstruction. At this stage of recovery, local authorities needed assistance from the central government:

to quickly assess the damaged facilities and prepare project documentation, clearly defined procedures had to be established, and competent authorities and specialists had to be involved, such as the State Emergency Service, cost estimators, architects, and others.

Instead, local authorities assessed the damaged facilities on their own, lacking experience, trained personnel and proper communication with the higher-level local authorities.

At the same time, local authorities were aware that in such circumstances they had to act quickly – to rebuild housing and critical infrastructure as soon as possible. The development of planning documents was delayed due to a lack of time and human resources. A separate stage of the damage assessment was the creation of a list of damaged facilities. It was the Luhansk regional administration that started compiling it on its own initiative. The list was primarily intended to be used to appeal to the courts and collect reparations, rather than as an actual basis for the reconstruction of damaged facilities. However, the list later became the basis for a register of damaged and destroyed property.

Following the reconstruction of damaged facilities, respondents believed that the educational sector and the creation of conditions for the return of residents who left these areas in 2014 required rapid recovery. According to the respondents, everything was actually being rebuilt: *“there was a fundamental decision that we would rebuild everything we could, close to the contact line.”*

At the same time, representatives of the CMA, who were involved in the restoration of the territories in 2014, believe that prioritising areas of recovery is the right strategic decision. In their opinion, it should take into account the individual characteristics of the territories, the scale of destruction, needs of people who remained in the de-occupied territories, and should be developed by local authorities. *It should result in the creation of favourable conditions, including security, for the return of IDPs.* In addition, setting priorities can contribute to a more equitable and rational allocation of financial resources. In order to prioritise problems and define indicators, there should be appropriate planning documents. At the same time, it would be advisable to prepare strategies in cooperation with representatives of higher-level local authorities (region or district), or by setting up a separate body or structural unit that

would be engaged in strategic planning in close communication with local authorities and relevant NGOs. This approach, according to local authorities, would be the most optimal. In addition, it is important that strategies are based on real statistical indicators and are regularly updated in accordance with the actual needs of residents.

2.3. Specifics of financing

The financing of housing reconstruction projects and, as a result, the speed of recovery in the early stages depended on the cooperation of international donors with local authorities and NGOs. This was particularly evident from respondents. Another financial resource for recovery was the funds from regional budgets, which were mostly used to rebuild social infrastructure. A separate source of regional budgets in Donetsk and Luhansk oblasts was tax revenues from enterprises that remained in the temporarily occupied territories but were re-registered in the government-controlled areas. Thus, according to the then head of the Donetsk Regional State Administration, in early 2015, about 80% of enterprises in the non-government controlled areas paid taxes to the regional budget⁴⁷.

It is worth noting that district and city CMAs did not actually have their own local budgetary resources when they were established in 2015. *The budgets of the CMAs consisted of subsidised revenues, which were distributed at the central level.*

An additional source of recovery funding was the SFRD, which funds investment programmes and regional development projects (including projects of cooperation and voluntary amalgamation of territorial communities) aimed at developing regions and creating infrastructure for industrial and innovation parks. Importantly, these projects should be in line with the priorities set out in the State Strategy for Regional Development and relevant regional development strategies. Since 2015, the Ministry of Regional Development has been the main spending unit of the State Regional Development Fund. Priority projects were identified at the level of regional CMAs.

47 Oleksandr Kikhtenko: 'Who needs a 'people's republic' that kills its own people?': <https://www.pravda.com.ua/articles/2015/02/6/7057688/>

According to the principle of distribution of the SFRD, Donetsk and Luhansk oblasts were included in the list of areas with low socio-economic development indicators, to which an additional 20% of the Fund was redistributed (Luhansk oblast since 2016, Donetsk oblast since 2018)^{48 49}.

However, the effectiveness of using the SFRD funds depended on various factors. On the one hand, according to local authorities, additional revenues from the SFRD did not significantly affect the pace of development of these territories. This is likely due to the untimely distribution of funds, non-compliance with legal requirements in the selection of projects, delays in allocating funds, etc. On the other hand, there were violations of budget legislation in the use of the SFRD funds by the regions, which led to losses to the state or underutilisation of the funds allocated. In 2017-2018, according to the results of the audit on the legality and efficiency of the use of the SFRD funds, UAH **6,862.8** thousands was used in Donetsk region in violation of budget legislation, causing losses to the state in the amount of UAH **5,758.7** thousands. At the same time, UAH **8,172.6** thousands was used inefficiently (either uneconomically or ineffectively)⁵⁰.

When analysing the principles of financing the restoration of various socio-economic sectors, there was no single unified approach. Such areas as healthcare, education, culture and patriotic education had different funding patterns. For example, *the restoration of the healthcare sector was largely funded by international organisations in co-financing with local budgets. According to experts, such cooperation ensured greater efficiency and responsibility of local authorities in implementing recovery projects.* For the development of culture and patriotism, a separate source of funding was

48 The SFRD funds are distributed among the regions in accordance with the following distribution criteria: 80% of funds – according to the number of people living in the respective region; 20% of funds – taking into account the level of socio-economic development of the regions in accordance with the gross regional product per capita (for regions where this indicator is less than 75% of the average indicator in Ukraine).

49 Annex 4 provides quantitative data on the distribution of the SFRD for Donetsk and Luhansk oblasts in 2015-2021 and the efficiency of their use

50 In the context of all the regions selected for the audit, it was found that UAH 196,508.0 thousand of the Fund's funds were used in violation of budget legislation in 44 projects (out of 70 audited, i.e. in 63% of cases) (causing losses to the state of UAH 69,627.7 thousand); in 28 projects (40%), a total of UAH 158,470.3 thousand was used in an uneconomical, inefficient and ineffective manner: http://www.rp.gov.ua/upload-files/Activity/Collegium/2019/7-1_2019/Zvit_7-1_2019.pdf

projects in cooperation with the Ukrainian Cultural Foundation, which supported activities to promote Ukrainian culture on a grant basis. It is obvious that the specifics of funding for certain areas are also related to the start of reforms, such as healthcare reform, which changed the specifics of funding for this sector.

The main entities that allocated resources to recovery projects were the central and regional levels. The regional authorities, in consultation with the central government (Ministry of Temporary Occupation Territories, Ministry of Regional Development, Ministry of Finance, etc.), were responsible for allocating a portion of the budget generated by tax revenues from the temporarily occupied territories to recovery projects. However, it turned out that to be able to implement projects, local authorities needed not only project management skills, but also proper cooperation with other levels of government. The activity of local authorities often influenced the results of receiving financial assistance for the restoration of the territory.

In general, according to respondents, *the main shortcomings in the distribution of financial resources were:*

- ▶ significant politicisation of the process of allocating funds to communities;
- ▶ lack of a proper control system, which led to corruption, inefficient use of funds, and ineffective projects;
- ▶ uneven distribution for the affected areas;
- ▶ projects' failure to meet the needs of the regions.

On the other hand, there were a number of shortcomings at the local government level. First of all, the projects were not responsive to the needs of the community. For example, in terms of administrative service delivery, more active local self-government bodies received significantly more resources for the construction of ASCs even without a proper demand for it, while other settlements were not funded due to a lack of initiative and project experience. In addition, the uneven distribution of funds led to social tensions between communities that felt unequal access to resources and development opportunities.

In order to avoid these problems, an internal audit and control system is needed at all stages of project implementation. The control mechanism would also allow for a preventive response and timely detection of problems that may relate to project management, as well as imperfect procurement, planning, etc.

2.4. Communication between recovery policy actors

Communities – central and regional authorities

The political situation in the country after 2014 and the outbreak of Russia's war against Ukraine affected communication between different branches of government, including between central and local authorities. It was already obvious that communication and coordination difficulties would be observed in the early stages of the recovery policy. Moreover, this was partly due to the initial phase of decentralisation, which later facilitated cooperation between both levels of government and communities.

Section 1, "Overview of the State Policy on Recovery and Reintegration 2014-2021", states that the Ministry for Reintegration of the Temporarily Occupied Territories of Ukraine was established to coordinate recovery policy measures and the position of a specialised Deputy Prime Minister was introduced. *Instead, according to stakeholders, cooperation and communication between local and central authorities often took the form of "providing statistical information and preparing reports"*. Requests for statistical data and orders from the central government usually lacked clearly defined criteria and instructions. This made it difficult for local authorities to respond to them and often increased resistance among LSG representatives. At the same time, the central government was active in attracting international technical assistance for the de-occupied territories, adopting state programmes, and communicating on international projects with partners who played a significant role in the restoration of the territories (see more about international partnerships in Section 1).

Particular attention should be focused on the communication between representatives of local authorities and the central government in the context of restoring the healthcare sector, ensuring payments to employees of medical institutions and administrative services. *Prior to the full launch of the healthcare reform, the sector was financed at the local level through state sectoral subventions, which were not always transparent and depended on personal connections with representatives of the central government.* This approach led to an unfair recovery and development of the healthcare sector. *Similar trends were observed in the restoration of administrative services.* As a result, the intention of the central government to build a network of ASCs without taking into account the real needs of local residents in specific areas, on the one hand, and the desire of local authorities to receive state funding, on the other, led to uneven geographical distribution of ASCs and inefficient use of resources for their construction.



“Tens of millions of hryvnias were poured into the frontline area, even though there was no need for it (ASC) there. There are 10 starostas there and a decentralised model of service delivery was necessary.”

This has created problems for the further maintenance of ASCs in communities due to a lack of financial resources⁵¹.

The lack of transparency in communication between regional and local authorities in the de-occupied territories in 2014 led to an unfair distribution of resources for the restoration and development of industries that had been financed by state subventions before the start of a series of reforms. This led to significant “inequalities” between communities and insufficient use of their potential. Local councils’ relations with representatives of the regional authorities were mainly based on personal contacts, which led to the promotion of the interests of certain communities depending on the activity of local government leaders and the availability of resources.

Thus, the settlements that had no preferences were deprived of funding and left out of the recovery policy.

However, in 2014-2021, there were also successful cases of cooperation between representatives of different levels of government. Among the positive examples of interaction with regional authorities, respondents mentioned the dissemination of project proposals through regional authorities initiated by international organisations, which helped to attract international support as an additional resource for community recovery. Respondents reported *effective cooperation with the central government in organising the process of obtaining compensation for destroyed property*. According to the procedure, local governments or the CMA assessed and approved lists of affected property, and the decision on compensation was made by a commission consisting of representatives of regional and central authorities. *In addition, there was effective state support for the resumption of the educational process, in particular in promoting the development and dissemination of national-patriotic education programmes.*

⁵¹ According to the results of the interviews, examples of irrational location of ASCs were: Soledar, Druzhkivka, Donetsk oblast

Community cooperation

Community cooperation could be an effective tool for restoring territories, as it allows for the joint implementation of socio-economic projects and solving problems affecting several territories. However, due to the lack of experience in developing joint projects, this tool has not been used to its full potential. In addition, the local government reform was implemented in Donetsk and Luhansk oblasts later than in other regions, which also affected the establishment of cooperation between communities.

According to the Register of Cooperation Agreements between Territorial Communities, the total share of projects in Donetsk and Luhansk oblasts concluded during 2014-2022 was less than 1% of all agreements in Ukraine⁵².

Most of this cooperation was in the form of delegation of certain tasks, joint financing of a municipal enterprise, implementation of joint projects, such as joint financing (maintenance) of the ME 'Primary Healthcare Centre' (Donetsk oblast), delegation of certain tasks of the 'Administrative Service Centre' (Luhansk oblast).

As for the cooperation of the de-occupied territories with the rear communities, this was not a systematic practice. According to the respondents, contacts with other regions were mostly based on the personal initiatives of local authorities. *Their proactive stance was crucial for establishing cooperation with other regions. The most common forms of cooperation were cultural and educational events, as well as the exchange of experience between local authorities.*

However, local authorities were aware that territorial cooperation is an effective mechanism for recovery, as it allows them to pool resources, expertise and experience to achieve common goals. This was particularly emphasised by representatives of the de-occupied territories: *"if properly organised and supported by the authorities, cooperation can contribute to the effective development of joint projects and partnerships".*

52 Register of cooperation agreements between territorial communities:
<https://mtu.gov.ua/content/reestr-dogovoriv-pro-spivrobotnictvo-teritorialnih-gromad.html>

International partners

International assistance was significant in the restoration of the territories in eastern Ukraine after 2014, when the lack of budgetary funds led to an urgent need to attract additional resources. Respondents highlighted the following as the key areas of international support:

- ▶ rebuilding housing stock and social infrastructure;
- ▶ restoration and development of the healthcare sector;
- ▶ development of small business and entrepreneurship;
- ▶ support for the public sector and culture.

International organisations mostly initiated cooperation and sought partners at the local level, which enabled them to respond quickly to problems and implement the necessary measures. At the initial stage, international assistance was mainly used to rebuild housing, social infrastructure, and restore medical services.

Other areas covered by international donor programmes include support and development of small businesses through grants for self-employment, loans for procuring equipment, organisation of thematic exhibitions and exchange of experience, mentoring programmes, etc. An important priority of international donor programmes was the development of culture and the civil sector. The projects implemented initiatives aimed at both rebuilding cultural centres and supporting educational projects, which led to a significant increase in the level of civic engagement in the eastern regions.

At the same time, the lack of coherence between programmes and the absence of a general system for coordinating the activities of all stakeholders led to duplication of projects or, conversely, underfunding of other important areas of recovery.



“There were a lot of donors in these regions – Donetsk, Luhansk, an extremely large number of them. And I would say that they were trampling on each other... there were a great many, trying to coordinate, but sometimes this coordination, in my opinion, was lacking, and there was also a lack of some common sense and critical approach – who needs what”.

In addition, the limited timeframe of projects was an obstacle to achieving sustainable results, as solving systemic problems requires long-term planning, which was insufficient at the time. Therefore, respondents emphasised that the effective implementation of international programmes and projects required proper coordination, a systematic approach, planning, and the introduction of a universal mechanism for establishing links with all stakeholders.

Representatives of civil society and activists

The development of civil society organisations in Ukraine has been uneven. The eastern region (Donetsk, Luhansk, Kharkiv oblasts), with the exception of a few professional organisations, was less covered by civic activity until the start of the Russian military aggression. The critical situation in 2014 and a number of social challenges forced people to become more active in addressing the problems of their communities⁵³.

The activities of civil society organisations in Donetsk and Luhansk oblasts have become particularly active after the Revolution of Dignity. However, according to the respondents, there was a rather low level of civic engagement before 2010, which was attributed, among other things, to the small proportion of the population involved in civic affairs and political movements. Civil society organisations mostly participated in political actions in support of the then government, but had no significant impact on social relations in general. Instead, more active development of civil society began in 2010-2011. Young people united in student organisations at the regional and national levels and formed an active community, which became the foundation for the further expansion of the civil movement. The implementation of cultural projects with local specifics and constant communication with local residents contributed to the development of an active civic stance, the promotion of regional culture, and the minimisation of stereotypes and myths about Donetsk and Luhansk oblasts.

53 Roadmap to self-sufficiency of the public sector. Regional Agenda for 2022-2026: https://ednannia.ua/images/Reg_poryad_broshura_A4_Preview.pdf

However, a significant number of organisations were established only formally and did not have an impact on social relations in general. For example, according to the CMA, as of 2021, **1930** CSIs were registered in Luhansk oblast, but the share of active organisations is quite low. Thus, in 2018, local authorities recorded **292** active CSIs, in 2019 – **275**, in 2020 – **314**, and in 2021 – **385**⁵⁴. In Donetsk oblast, as of the end of the first half of 2021, excluding the territories temporarily not controlled by the government of Ukraine, **3707** civil society organisations were registered. The number of civil society organisations in the region has been increasing every year⁵⁵.

After the de-occupation of parts of Donetsk and Luhansk oblasts, social movements began to form spontaneously, bringing together volunteers, journalists, entrepreneurs and other active citizens.

The main activities of such associations included:

- ▶ volunteer assistance in various areas, including support for IDPs in settling and adapting to a new place of residence, as it was the parts of Donetsk and Luhansk oblasts controlled by Ukraine that received the largest number of IDPs from the temporarily occupied territories;⁵⁶
- ▶ spreading Ukrainian symbols in public areas of the eastern regions;
- ▶ educational activities (Ukrainian language, history and Ukrainian traditions);
- ▶ organising pro-Ukrainian events and festivals;
- ▶ monitoring and control over the activities of local authorities;
- ▶ participation in the elaboration of political decisions;
- ▶ development of independent media centres.

54 Regional Targeted Programme for Civil Society Development for 2022-2026:
<http://loga.gov.ua/sites/default/files/golova-acts/211228843.pdf>

55 Roadmap to self-sufficiency of the public sector. Regional Agenda for 2022-2026:
https://ednannia.ua/images/Reg_poryad_broshura_A4_Preview.pdf

56 United Nations Office for the Coordination of Humanitarian Affairs (OCHA), Ukraine:
Overview of population movements (as of 23 March 2015):
<https://www.refworld.org/docid/55223f154.html>

Along with the expansion of the activities of pro-Ukrainian NGOs, provocative actions by pro-Russian residents and some representatives of local authorities occurred from time to time. In particular, their efforts led to the creation of “pocket” CSOs, which were historically financed by the state budget and promoted pro-Russian positions. Since the de-occupation of 2014, the practice of creating fictitious NGOs to receive grants and then misusing them became widespread. *To prevent this phenomenon, respondents noted that there was a lack of measures such as the introduction of transparent project competitions and control over financial reporting.*

According to stakeholders, although the period of temporary occupation of the territories led to the self-identification of an active part of citizens and the development of patriotic movements, a number of problems emerged, namely:

- ▶ forced relocation of civil society organisations to the government-controlled territory of Ukraine;
- ▶ partial isolation from other regional initiatives due to poor infrastructure;
- ▶ lack of experience in preparing long-term projects;
- ▶ lack of funding;
- ▶ problems in communication with local authorities. In Donetsk and Luhansk oblasts, civic activity in the wake of the hostilities has its own specifics. One of these specific features is the functioning of civil-military administrations. The communities where they are established do not have local self-government bodies, so it is more difficult to ensure the opportunity for public participation in local self-government.

Despite the existing challenges in managing their work, CSOs continued to operate, even if they relocated to other regions. Moreover, the activities of CSOs expanded not only in large cities of the eastern regions, but also in small communities.

Significant support from international partners, including various USAID targeted programmes (such as ‘Economic Support for Eastern Ukraine’), played an important role in the growth of CSOs in these regions, which involved significant involvement of CSOs from different regions of Ukraine in the eastern regions. Many other donors: UNDP, EU programmes aimed at assistance in the recovery and support of communities in the region. A significant number of donors directed their resources to the eastern regions and adjacent territories.

Thus, since 2014, an active civil society has begun to emerge in Donetsk and Luhansk oblasts. Such phenomena as the formality of public organisations and the defence of the interests of specific political elites and parties were significantly minimised. Instead, pro-Ukrainian positions were strengthened, which was supported by concrete practical measures. Despite all the problems faced by civil society organisations, they have become an impetus for the introduction of tools for participation and activation of residents of the eastern regions. Moreover, various donor programmes have “revitalised” communities and made it possible to implement projects aimed at restoring de-occupied communities.

2.5. Restoration of the socio-economic infrastructure of the de-occupied territories 2014-2021

Education

In 2014-2021, the education system demanded reform, optimisation and renewal of the facilities throughout Ukraine, and in the de-occupied communities the situation was further complicated by the physical destruction of educational institutions and the forced migration of education professionals. Significant disparities in the quality of education existed even within the same community, with school rankings varying dramatically. This is evidenced by the data on the rating of schools in Ukraine based on the results of external independent evaluation. For example, the MI Mariupol Technical Lyceum of the Mariupol City

Council was ranked first in 2019, while the Mariupol Vocational Lyceum was ranked as low as 419th⁵⁷.

Thus, according to respondents, the *education sector and the resumption of the educational process were among the priority areas of recovery, as they were considered important factors for the return of IDPs.*

At the same time, a number of subjective and objective reasons influenced the recovery efforts in the education sector, namely:

1. The attitude and engagement of school principals and teaching staff. Schools with more innovative teachers joined state education reform projects, which made it possible to upgrade the facilities and introduce new teaching methods⁵⁸;
Rebuilding all damaged schools, even in settlements with a small number of children, which led to irrational use of funds and problems with the further maintenance of educational institutions;
2. The lack of logistical connections between settlements due to poor road quality, which made it difficult to optimise the network of educational institutions and to unite schools for several settlements;
3. The need to update teaching approaches in line with the all-Ukrainian space, and the transition to teaching in the Ukrainian language. Due to the lack of staff, the process of renewal was hampered by significant obstacles, resulting in considerable disparities in the quality of education in the eastern regions;
4. Teachers were one of the most vulnerable categories during the occupation, subject to manipulation by the occupation authorities, who used them as a tool for organising pseudo-referendums and political actions. Therefore, there was a need to engage a significant number of active teachers with a pro-Ukrainian position to restore the de-occupied territories.

57 Ranking of schools in Donetsk oblast in 2019: <https://osvita.ua/school/rating/65385/>

58 An example is Popasna Lyceum No. 1 (Luhansk oblast), where the teaching staff voted to introduce Ukrainian-language teaching of school classes, to spread Ukrainian symbols in the school, and to hold events to promote Ukrainian identity and patriotism. According to interviews, such measures contributed to changes in the views of not only children but also their parents.

Obviously, it can be argued that in order to implement measures to restore the educational sector, a clear state policy was necessary, including both the attraction of financial resources for the reconstruction of educational institutions in accordance with the needs of communities, the number of children, and available human resources, and the development of new approaches to teaching school subjects in accordance with the all-Ukrainian curriculum.

Healthcare

Until 2016, i.e. before the adoption of the Healthcare Reform Concept⁵⁹ and the start of its implementation, the healthcare system in general faced numerous problems, such as: inadequate funding; non-transparent allocation of resources; low remuneration of healthcare workers; and poor accessibility and quality of healthcare services.

In addition to the general problems affecting the whole of Ukraine, the de-occupied and frontline territories have additional needs due to the increase in the number of people due to forced migration from the temporarily occupied territories and, at the same time, the migration of qualified personnel from the affected territories.

In particular, these are the following needs:

- ▶ rebuilding medical facilities that were destroyed in the hostilities;
- ▶ provision of medical equipment. Due to the lack of a clear action plan and the inability to proactively move medical equipment to safe areas, much of it was destroyed or taken away by the occupation authorities. This has led to a deterioration in the availability of medical services in the de-occupied territories, with an increase in the needs of the residents;

⁵⁹ Order of the CMU of 30 November 2016 No. 1013-p «On Approval of the Concept of Healthcare Financing Reform»: <https://zakon.rada.gov.ua/laws/show/1013-2016-%D1%80#Text>

- ▶ lack of qualified personnel. According to experts, to address this problem, additional measures were needed, such as higher salaries and preferential housing, to return and retain healthcare professionals in the de-occupied territories;
- ▶ lack of an algorithm for providing medical services to IDPs and residents from the temporarily occupied territories. According to experts, this algorithm should have been developed by the central government with the involvement of local authorities and experts. In particular, this problem could have been solved by organising a transition period with the establishment of temporary rules for the provision of medical services to IDPs.

Destroyed medical facilities, lack of medical equipment, and coordination of healthcare services made it difficult to restore the healthcare sector.

These problems were partially resolved by the launch of a system of mobile medical services. This made it possible to provide medical care to people in remote areas where there are no medical facilities or qualified doctors. Subsequently, after the launch of the healthcare reform, the need for specialized doctors was partially covered by the work of private practitioners, which significantly expanded the scope of medical services.

International organisations made a significant contribution to the restoration of the healthcare sector. International assistance projects included not only the supply of medical equipment and special vehicles, but also training programmes for healthcare professionals. *According to experts, it was effective to involve local authorities responsible for healthcare management in the training courses.* This helped to improve the level of service delivery administration and prepare the human resource for more successful implementation of the healthcare reform in communities.

Administration services

Prior to decentralisation, residents of the de-occupied territories were effectively deprived of the opportunity to receive services at their place of residence due to a lack of authority and a shortage of qualified personnel. Bringing services closer to the people became possible due to the active establishment of Administrative Service Centres throughout Ukraine, including the de-occupied territories. However, according to experts, the development of ASCs faced problems related to unclear centralised planning and design:

- 1) failure to take into account the needs of residents of specific areas for services;
- 2) over-saturation of some districts with ASCs, which contradicted the feasibility of designing, purchasing equipment, and paying specialists in those ASCs;
- 3) failure to take into account the financial capacities of the community to launch the ASCs, which led to difficulties in their further maintenance.



“In the Donetsk oblast, in Druzhkivka, an ASC was built with the same funds, then the Ministry of Social Policy also had one, as did MinRegion. They did it under the Transparent Office programme. They built a second ASC 500 metres away. As a result, one is empty and the other is empty. The conflict here is that when someone from Kyiv offers money to someone in the community, the community does not refuse, it is normal from the community’s point of view. They don’t care how they will spend it”.

In order to avoid these problems, it was necessary to develop a certain coefficient of the cost of ASC construction depending on the number of residents to be served.

According to experts, such a planning method would take into account real needs and increase the efficiency of resource use in the recovery process.



“Relatively speaking, if a community has 10,000 residents, the ASC cannot be more expensive than one million or two. There should be some standards per capita, and then a conditional amount can be calculated”.

Economics and business

The period of temporary occupation of the territories in 2014 was relatively short, which allowed certain economic processes to continue in the regions. The peculiarity of Donetsk and Luhansk oblasts was the dominance of big capital and business, which was restoring itself using its own resources. Prior to the full-scale invasion, large enterprises with Western investments were operating, producing construction mixtures, ceramic tiles, etc. *At the same time, small and medium-sized businesses faced a number of difficulties in recovering, including:*

- ▶ ineffective government loan programmes;
- ▶ restricted conditions for receiving international assistance;
- ▶ people's unwillingness to engage in entrepreneurial activities due to the existence of risks and lack of guarantees.

Of course, the recovery of SMEs was made possible by international programmes that provided financial support. However, the limitations on the amount of grants and the targeting of the funds for job creation and expansion made it difficult for businesses to fully recover. The launch of government loan repayment programmes did not yield the expected results due to complicated procedures for businesses and the lack of licences for the provision of financial services by utility companies. However, according to respondents, government programmes of employment centres have yielded some results, contributing to a reduction in unemployment in the region.

Ineffective government programmes, limited conditions for receiving international assistance, security uncertainty (which was particularly acute before the full-scale Russian invasion), and the lack of guarantees made it impossible for residents of the affected areas to engage in business activities. According to respondents, in addition to providing guarantees for businesses, training for entrepreneurs was needed. Later, in 2020-2021, government initiatives were developed to improve the business climate, such as business training, exchange of experience, creation of industrial parks, free economic zones, and war risk insurance, but they were never implemented in these regions.

According to the respondents, economic and business recovery has a direct impact on stabilising the socio-economic situation, reducing unemployment, improving living standards, and increasing tax revenues. Obviously, after the de-occupation, security guarantees for entrepreneurs were needed to fully stabilise

the economic situation. Instead, the ongoing war increased uncertainty and risks, which required a government policy with clear standards for businesses to minimise.

Culture

After 2014, there was a significant intensification of cultural movements, which indicated the gradual popularisation of Ukrainian traditions and identity issues in the eastern regions. As part of this, various patriotic events, festivals and commemorations were held. However, according to respondents, these events should have focused more on the historical component of the events of 2014.



“The events should have been held, but from a different perspective, with a more in-depth study of what was happening in Ilovaisk, Donetsk and Luhansk”.

In general, the following factors influenced the restoration of the cultural sphere:

1. The specifics of regional and local authorities. The public was more trusting of events organised by local authorities, while initiatives of regional authorities were seen as coercion to certain formats of events “favourable to the authorities”;
2. Different perceptions of cultural events by residents. Some types of art were underestimated by residents of the eastern regions, which created certain risks for artists who invested resources in restoring the cultural component. This was due to the fact that the vast majority of residents did not attach importance to Ukrainian art or did not realise its diversity⁶⁰.

Cooperation with other regions of Ukraine played an important role in restoring the cultural component. In particular, joint cultural events were held with artists from other regions, which created opportunities for communication, exchange of views and exploration of the diversity of Ukrainian culture. At the same time, the state policy paid considerable attention to decommunisation processes (changing symbols to pro-Ukrainian ones, renaming streets, erecting monuments to Ukrainian heroes). In 2016 alone, 75 settlements and three districts in the

60 O. Mykhed «I will mix your blood with coal». Kyiv: Nash Format. 2022. P. 210.

temporarily occupied territories of Donetsk and Luhansk oblasts were renamed by a VRU resolution⁶¹.

At the same time, among the significant problems that required a clear state policy to address, respondents noted the *almost complete absence of Ukrainian-language TV and radio signals in the de-occupied territories*. The limited availability of Ukrainian-language content meant that people were forced to consume information from Russian propaganda sources. The problem could not be solved at the local level and required active government action and the search for technical solutions to ensure access to objective information and the development of the media sector. This was partially addressed through programmes to finance regional development projects. They were implemented at the expense of the state budget funds received from the EU as part of the implementation of the Financing Agreement for the Sector Policy Support Programme – Support to Ukraine’s Regional Policy. MinRegion was designated as the coordinator, and the competitive selection of projects was carried out in accordance with the Procedure for Competitive Selection of Regional Development Projects⁶².

One of the programme areas was “All-Ukrainian Solidarity”, under which projects were submitted, in particular:

- ▶ creating opportunities for regional cooperation in education, culture, historical and cultural studies;
- ▶ creating an attractive image of the regions in Ukraine, integrating regional identities into the national identity;
- ▶ integration of internally displaced persons and protection of the interests of persons who have been forced to live in the temporarily occupied territories;
- ▶ promoting economic integration of regions and communities in the regions.

61 VRU Resolution «On Renaming Certain Settlements and Districts in the Temporarily Occupied Territories of Donetsk and Luhansk Oblasts»: <https://zakon.rada.gov.ua/laws/show/1351-19#Text>

62 CMU Resolution No. 827 of 16.11.2016 «Some issues of financing regional development programmes and projects»: <https://zakon.rada.gov.ua/laws/show/827-2016-%D0%BF/ed20171214#Text>

Thus, the initiatives of local cultural communities or artists from other regions played a significant role in restoring the cultural component. Both state and international funds were used to finance the projects. However, a systematic state policy and appropriate measures were needed to fully integrate the de-occupied territories into the all-Ukrainian cultural space.

Despite the relocation, many cultural organisations aimed to integrate the eastern regions into the cultural space of Ukraine. For example, the International Charitable Foundation “IZOLYATSIYA: Platform for Cultural Initiatives” was founded in 2010 in Donetsk as a non-profit non-governmental platform for cultural initiatives. In 2014, the territory and premises of the Foundation were seized by the occupiers. Afterwards, the Foundation moved to Kyiv, although Donetsk region remained in the focus of its activities..

Chapter 3.

An overview of the state policy of recovering ukrainian communities after the full-scale invasion



This section analyses the legal acts that were adopted after the full-scale Russian invasion and have an impact on the recovery of communities.

On the one hand, a number of state recovery policy documents are analysed and a brief summary of their content is provided. On the other hand, the peculiarities of coordination of recovery processes at different levels of government are examined.

The recovery of the de-occupied communities began immediately after the liberation of Kyiv, Chernihiv, and Sumy regions, which had been under temporary occupation for no more than three months. At the same time, the state faced the issue of promptly developing regulations that would allow local governments to legitimately address local issues, allocate funds for the reconstruction of infrastructure, and reinstate services necessary for residents. Government institutions (ministries, the Verkhovna Rada) were actively engaged in diplomatic negotiations with partners, attracting resources for the reconstruction, and adopting regulations. At the same time, it was the local authorities that played a coordinating role in the early stages of recovery, and it was the local authorities that sought resources to restore basic services and provide humanitarian aid. Volunteer communities also played an important role.

Of course, recovery in the context of an ongoing full-scale war was taking place in extremely difficult conditions for the communities. First, it was necessary to provide temporary housing for those whose homes were destroyed. Secondly, it was necessary to restore critical infrastructure (and in border communities, this happened under constant shelling). Third, the provision of social, administrative and medical services to residents, etc. However, the initial steps of recovery were most likely to be pointed and not based on a comprehensive vision of community recovery. This was also partly due to the fact that at the state level, issues were being coordinated between different branches of government, while coordination of processes was almost absent, there was a change of personnel, and ministries were merged into a single Ministry of Community, Territorial and Infrastructure Development of Ukraine.

In parallel with efforts to improve coordination of recovery, programme documents with action plans and recovery projects were developed. In fact, the first and only unified document that reflected the directions of recovery was the Recovery Plan for Ukraine, presented by Ukraine in Lugano in July 2022,

but never officially approved⁶³. In fact, its status is not legitimate. The Recovery Plan is a roadmap consisting of 15 national programmes and envisages the implementation of recovery measures, including the development of necessary legislative initiatives. Of course, these programmes and measures meet the needs of the country both during and after martial law. However, a number of measures are controversial and sometimes unrealistic given the economic situation in the country and the impossibility of predicting the end of the war.

For example, in terms of macroeconomic forecasts (e.g., GDP growth), the Recovery Plan appears to be too ambitious. The government envisages that the annual real GDP growth rate will exceed 7% over the next ten years, and that nominal GDP will approach USD 500 billion in 2032. However, such a sharp increase in nominal GDP to USD 500 billion by 2032 is unlikely, given that Ukraine's real GDP fell by 29.1% in 2022. A comparative analysis of the GDPs of different countries based on World Bank⁶⁴ data shows that Bosnia's nominal GDP grew 3.1 times between 1996 and 2005, while Croatia's grew 2 times between 1994 and 2003. Thus, the Government of Ukraine's forecast of a 5-fold increase in nominal GDP in dollar terms by 2032 is overly optimistic. Of course, the real GDP growth rates are realistic, assuming that the destruction caused by the war will not be as widespread in the future, and that the Government will successfully develop planning documents, present them to investors, allocate resources efficiently, implement structural reforms and attract foreign assistance. And communities, in turn, under the coordination of the central government, will implement recovery measures, develop strategies, and spend financial resources fairly and rationally. At the same time, migration policy will be clear, and internally displaced persons and refugees will return to their communities of origin. However, today these forecasts are not sufficiently substantiated and sometimes even contradictory. The national programmes presented in the Recovery Plan address:

- ▶ strengthening institutional capacity;
- ▶ digitalisation;
- ▶ strengthening defence and security;
- ▶ striving for integration with the EU;
- ▶ clean and secure environment;

63 Ukraine Recovery Plan: <https://recovery.gov.ua/>

64 The World Bank Data: <https://data.worldbank.org/indicator>

- ▶ energy independence and green course;
- ▶ improving the business environment;
- ▶ ensuring competitive access to capital;
- ▶ ensuring macro-financial stability;
- ▶ development of value-added sectors of the economy;
- ▶ expanding logistics with the EU;
- ▶ restoration and modernisation of social infrastructure;
- ▶ development of the education, healthcare, culture and sports systems;
ensuring effective social policy.

Obviously, it can be argued that the Recovery Plan is cross-sectoral and addresses various areas. It is important that among the above issues, the component of cultural development is considered, which is necessary for the full integration and recovery of the de-occupied regions. Equally important is the component of Ukraine's integration into the EU, which is also highlighted as a separate national programme in the Recovery Plan. All programmes are interconnected in the context of European integration, harmonisation with international standards, and compliance of recovery measures with these standards. In particular, in terms of legislation and institutional capacity building, the following issues are addressed: finalizing the restart of the anti-corruption system, implementation of law enforcement reform, centralisation and digitalisation of state registers, digitalisation of all key public services, synchronisation of antitrust legislation with the best European practices, etc. Despite some positive aspects, the drafts of the Recovery Plan have significant shortcomings. *The projects are rather vague, and moreover, there are no clearly defined responsible persons, deadlines, or specific activities.* For example, one of the measures in the programme "ensuring effective social policy" is to promote and develop adoption. This activity does not provide for specific indicators and results, as the wording of the activity itself does not indicate a clear outcome. This type of description can be found in many programmes of the Recovery Plan. Therefore, it is doubtful that the Recovery Plan is aimed at implementing the envisaged activities in the future, and moreover, it has not yet been officially approved.

Another significant drawback of the Recovery Plan is the duplication and lack of coherence between different programmes, and the lack of harmonisation of different policy initiatives in terms of the size of the national budget, relevant institutions and human resources.

For example, the macro-financial stability programme mentions the creation of a Budget Office under the VRU, but does not specify the timeframe for the office's functioning or the sources of funding. At the same time, the section on economic recovery clearly states that "the fiscal burden on businesses and households should be reduced to a level that stimulates economic growth, namely, no more than 30% of GDP". However, this is not consistent with the Government's approach and plan to increase GDP. In addition, tax cuts are not consistent with the huge amount of investment in infrastructure restoration, reimbursement of all the costs caused by the war, and support for enterprises and businesses. Moreover, it is necessary to take into account that the war is still ongoing, and it is difficult to fully assess all the losses of the Ukrainian state and the destruction caused by the war.

While additional incentives for economic recovery are certainly needed, it is difficult to implement this as a long-term activity, as envisaged in the Recovery Plan.

In addition, the level of Ukraine's debt obligations to its partners should be taken into account. The increase in the budget deficit as a result of tax cuts is also inconsistent with the reduction of public debt, as envisaged in the Recovery Plan.

There are many such discrepancies in the activities and draft programmes of the Recovery Plan, especially in the sections on the financial sector, the economy, and institutional capacity building (which also require significant financial resources). However, again, this Recovery Plan is more of a general vision, a framework document that sets the direction of the recovery process. From the point of view of taking into account all the areas that need to be restored, it is detailed. However, in the context of the actual situation, data and activities, it needs to be significantly revised, discussed with various experts and all branches of government, and only then officially adopted.

One of the important measures of the state recovery policy is the legislative consolidation of the necessary mechanisms. First of all, the Law of Ukraine *“On Amendments to Certain Legislative Acts of Ukraine on the Principles of State Regional Policy and the Policy of Restoration of Regions and Territories”*⁶⁵ was adopted. As a result, the approved amendments introduce the following:

- ▶ the system of state regional policy documents was structured: state strategy – regional strategy – territorial community development strategy;
- ▶ four functional types of territories were introduced: territories of recovery, regional growth axes, territories with special conditions for development, and territories of sustainable development;
- ▶ for the territories affected by Russian aggression, a recovery and development plan was introduced (for regions and for the community).

Thus, the Law establishes that one of the directions of the state regional policy is the recovery of regions and territories affected by Russia’s armed aggression against Ukraine.

The adaptation of the State Strategy for Regional Development to the conditions of the war and post-war period is also evidenced by the main categories and frameworks laid down in the regional policy:

1) trends and problems of socio-economic development of territories; 2) priorities of the state regional policy for the relevant period; 3) functional types of territories; 4) strategic and operational goals; 5) main tasks; 6) strategy monitoring system. Thus, regional development strategies should be consistent with the strategic goals and priorities of the State Strategy for Regional Development. At the same time, regional development strategies are developed taking into account the specifics of territorial communities and functional types of territories.

65 Law of Ukraine of 09 July 2022 No. 2389-IX «On Amendments to Certain Legislative Acts of Ukraine on the Principles of State Regional Policy and the Policy of Restoration of Regions and Territories»: <https://zakon.rada.gov.ua/laws/show/2389-20#Text>

The procedure for developing strategies shall be determined by the CMU.

This is beneficial in terms of establishing a common approach and rules in the development of state recovery policy, avoiding inconsistencies, and providing recommendations for local communities. Such a systematic approach will allow for effective coordination of recovery measures, reflecting the positions of all actors. An interagency coordination commission on regional development may also be established as a temporary advisory body. Its activities are supposed to ensure coordination of the activities of executive authorities with the mandatory involvement of local governments in the formation and implementation of state regional policy, as well as in the coordination of sectoral forecasts of regional development with the strategic objectives of state regional policy. Regional development agencies as non-profit institutions may also be involved.

Another regulatory document adopted by the Cabinet of Ministers in December 2022 is the Action Plan for Executive Authorities and Local Governments to Restore the De-occupied Territories⁶⁶.

The plan was developed by the Ministry of Reintegration of the Temporarily Occupied Territories and is the result of the work of the Coordination Headquarters for the De-occupied Territories. This Plan is of general nature describing the criteria necessary for the normal functioning of communities. It includes 131 measures to restore the de-occupied territories. The urgent measures include the following:

- ▶ taking measures to clear the territories of explosive ordnance and dismantle rubble;
- ▶ resumption of activities of local self-government bodies, military administrations, and territorial executive authorities;
- ▶ ensuring the work of territorial law enforcement agencies;
- ▶ providing residents with food and essential goods;
- ▶ provision of medicines and medical care;

66 Order of CMU of 30 December 2022 No. 1219-p «On Approval of the Action Plan of Executive Authorities for the Restoration of the De-occupied Territories of Territorial Communities»: <https://zakon.rada.gov.ua/laws/show/1219-2022-%D1%80#n8>

- ▶ restoring the functioning of the Ukrainian language as the state language, taking into account the protection of indigenous languages;
- ▶ destroying the symbols of the Russian totalitarian regime;
- ▶ attracting international technical assistance to restore the damaged infrastructure;
- ▶ restoring hryvnia circulation and treasury services;
- ▶ ensuring the payment of social benefits and pensions;
- ▶ restoration of centralised water supply, etc.

Each action of the Plan is assigned to a responsible executor. For the most part, these are military administrations and local governments. *However, it does not specify clear deadlines and does not take into account the specifics of individual territories.* For example, such indicators as the availability of human resources in communities, the duration of temporary occupation, and the capacity of local governments. These factors affect the recovery, which in turn requires separate approaches to different areas in need of recovery. In addition, *the Plan is aimed at solving situational problems and does not address long-term visions.* Instead, it can be an additional tool for public authorities and territorial communities to take immediate recovery actions.

An important issue is the reconstruction of damaged property. Given the scale of the destruction in the regions, rebuilding infrastructure is essential in the early stages of recovery. To systematise this process, the State Register of Property Damaged and Destroyed as a Result of Hostilities, Terrorist Acts, and Sabotage Caused by the Armed Aggression of the Russian Federation was launched in July 2022. While in February 2023, in connection with the adoption of the Law of Ukraine “On Compensation for Damage and Destruction of Certain Categories of Real Estate as a Result of Hostilities, Terrorist Acts, Sabotage Caused by the Armed Aggression of the Russian Federation against Ukraine and the State Register of Property Damaged and Destroyed as a Result of Hostilities, Terrorist Acts, Sabotage Caused by the Armed Aggression of the Russian Federation against Ukraine”⁶⁷.

67 The Law of Ukraine «On Compensation for Damage to and Destruction of Certain Categories of Real Property as a Result of Hostilities, Terrorist Acts, Sabotage Caused by the Armed Aggression of the Russian Federation against Ukraine and the State Register of Property Damaged and Destroyed as a Result of Hostilities, Terrorist Acts, Sabotage Caused by the Armed Aggression of the Russian Federation against Ukraine»: <https://zakon.rada.gov.ua/laws/show/2923-IX#Text>

The Register is defined as the single state database for recording destruction and a tool for controlling compensation for damaged and destroyed property.

The Law also regulates the activities of the Commission for consideration of issues related to compensation for destroyed real estate as a result of hostilities, terrorist acts, sabotage caused by the armed aggression of the Russian Federation against Ukraine (Article 3). There have been long discussions about its work, including who should be part of it, who should coordinate the processes, and who should be responsible for the transfer of documents from local authorities. It is encouraging that, if necessary, the Commission may involve (by agreement) representatives of state bodies, local governments, enterprises, institutions, organisations, experts, evaluators, contractors of certain types of work related to the creation of architectural objects, representatives of international organisations, and others. The personal composition of the Commission is approved by the relevant council, military administration or civil-military administration of the settlement. In fact, the Commission is fully responsible for providing the compensation for damaged property and decides whether to grant or refuse it.

Sources of compensation funding may include:

- ▶ funds from the state (including the Fund for Restoration of Property and Destroyed Infrastructure, the Fund for Elimination of the Consequences of Armed Aggression) and local budgets;
- ▶ international financial organisations, other creditors and investors;
- ▶ international technical and/or repayable or non-repayable financial assistance;
- ▶ reparations or other penalties from the Russian Federation.

Meanwhile, local governments can approve local programmes and create funds to provide compensation and restore damaged real estate. This Register collects, records, and stores all data on damaged property.

In order to improve the processes of filling the Register with data, information exchange, and access to data, in June 2013, the Government approved the Procedure for its maintenance⁶⁸. Previously, the Register was regulated by

68 CMU Resolution of 13 June 2023 No. 624 «Some issues of ensuring the functioning of the State Register of Property Damaged and Destroyed as a Result of Hostilities, Terrorist Acts, Sabotage Caused by the Armed Aggression of the Russian Federation against Ukraine»:

<https://www.kmu.gov.ua/npas/deiaki-pytannia-zabezpechennia-funktsionuvannia-derzhavnoho-reiestru-maina-624-130623>

Government Resolution No. 380 of 26 March 2022 “On the Collection, Processing and Accounting of Information on Damaged and Destroyed Real Estate as a Result of Hostilities, Terrorist Acts, and Sabotage Caused by the Military Aggression of the Russian Federation”, but a number of issues emerged that required clarification. The main updates incorporated into the Procedure include:

- ▶ the approved list of the Register’s functionality;
- ▶ the defined list of information stored in the Register;
- ▶ specified roles of users of the Register, including local governments, military administrations, state-owned enterprises, ministries and other central government authorities;
- ▶ a detailed procedure for obtaining access to the Register for public registrars and users of register information;
- ▶ a clear fixed list of interactions with other information and communication systems and data exchange.

The approval of the Procedure has made the process of compensation for damaged and destroyed real estate easier and more convenient, and has also created an opportunity to develop procedures for compensation for damaged or destroyed property.

The registry is extremely important, given that communities need to formulate comprehensive recovery programmes and generally carry out strategic planning, which is mandatory under the Law of Ukraine “*On the Principles of State Regional Policy*”. In order to collect quantitative data, develop recovery measures, identify sources of funding and the need to rebuild a facility, it is necessary to record all the damage and store this information for the future.

As noted above, according to the principles of the state regional policy, recovery and development plans (regional and local levels) are introduced for the regions and communities affected by the war.

It is logical that the war has affected all communities in Ukraine, as socio-economic indicators have changed to varying degrees throughout Ukraine. However, in the context of limited human and financial resources, it is important to define the criteria for communities to be classified as those in need of restoration as objectively as possible. *The Cabinet of Ministers of Ukraine shall approve the requirements for the criteria of functional types of territories, as well as the list of communities.* The Cabinet of Ministers is also responsible for developing the procedure and methodological materials for planning documents. Therefore, regional and local authorities should receive from the Government a methodology for defining the type of territories (including recovery areas), as well as a procedure for developing the relevant recovery plans. Thereafter, regional and local authorities (or military administrations, if established) should prepare these documents and, after approval, work in the identified areas of recovery.

Thus, in July 2023, the Government adopted the Resolution “On Approval of Procedures for the Restoration and Development of Regions and Territorial Communities”⁶⁹, which defines:

- 1) the procedure for determining the recovery areas;
- 2) the procedure for developing, implementing and monitoring recovery and development plans.

However, there are certain inconsistencies both in terms of identifying restoration areas and developing plans. The following issues should be highlighted.

69 CMU Resolution No. 731 of 18 July 2023 «On Approval of Procedures for the Restoration and Development of Regions and Territorial Communities»: <https://www.kmu.gov.ua/npas/pro-zatverdzhennia-poriadkiv-z-pytan-vidnovlennia-ta-rozvytku-rehioniv-i-terytorialnykh-s731-180723>

Thus, it is proposed to include communities in the areas of recovery if one of the following criteria is met:

- 1) hostilities took place on the territory of the community;
- 2) the community or part of its territory was temporarily occupied;
- 3) critical infrastructure and housing stock were destroyed as a result of hostilities and shelling;
- 4) population decline (15%);
- 5) unemployment growth (15%);
- 6) reduction in tax revenues to local budgets (15%);
- 7) if the share of IDPs in the community is more than 10%. Communities are given only one month to assess these criteria and prepare their justifications.

However, given the conditions of war, *communities cannot quickly, objectively and, at the same time, thoroughly determine their affiliation with the recovery areas*. The first two criteria (the fact of hostilities and/or temporary occupation) should not be an issue, as the lists of such territories are approved by a separate resolution of the Ministry of Reintegration in accordance with changes in the situation at the front. However, there will definitely be difficulties with determining the number of people, as this requires a quantitative count of residents, which is a lengthy and sometimes impossible process. Moreover, the IDP register does not reflect the exact number of displaced persons, as not all are registered in the respective communities and can move freely to other territories after registration. Therefore, the accuracy of this criterion is questionable. On the other hand, the defined criteria do not contain measurable indicators of their impact on the community, the need to rebuild a particular facility. Therefore, there are risks that all facilities will be rebuilt without exception, even those for which budget expenditures are irrational, as was the case in 2014.

In addition, after the list of restoration areas is compiled, a commission consisting of representatives of the relevant ministry (50%) and the relevant committee of the Verkhovna Rada (50%) should assess compliance with the criteria. The commission is supposed to perform a formal control function and ensure transparency, but with unclear criteria and, consequently, the

justifications provided by communities, there is a risk of political influence and delay in the process. Moreover, the fact that the commission does not include representatives of specialised associations and NGOs is also a cause for concern.

Regarding the procedure for the development, implementation and monitoring of recovery and development plans, this document should provide comprehensive instructions to the authorities on how to identify the necessary measures, evaluation criteria and other important aspects to be taken into account during the development and implementation of the plan.

However, there is a fundamental problem with taking into account the needs and potential of the territories — the resolution lacks a mechanism and specific parameters for their determination.

In addition, there are contradictions between Recovery Plans and Comprehensive Recovery Programmes. Thus, the Resolution states that a draft plan for the restoration and development of a territorial community is prepared under a comprehensive restoration programme if the community meets the following criteria:

- 1) more than 15% of the housing stock of the territorial community or individual settlements has been destroyed and/or damaged;
- 2) the population has changed by more than 25%;
- 3) the decision to develop a comprehensive recovery programme has been made in accordance with the procedure established by law.

Thus, according to the bylaws, the Programme is necessary for the preparation of the Recovery Plan. And here we find “conflicting” norms in two legal acts, when two laws dealing with the same subject matter have contradictory norms. After all, according to the Law of Ukraine “*On Regulation of Urban Development*”⁷⁰, the Comprehensive Restoration Programme is not mandatory.

70 The Law of Ukraine «On Urban Development Regulation»: <https://zakon.rada.gov.ua/laws/show/3038-17#Text>

The components of the Plan and the Programme overlap, which will partially delay the recovery process for communities.

The draft plan for the recovery and development of the territorial community includes:

- 1) tasks and measures for recovery and development;
- 2) projected need and possible sources of funding;
- 3) indicators of the implementation of tasks, recovery and development measures and their projected values;
- 4) a list of regional (local) development projects.

However, in fact, the Programme contains the same information as the Plan, only with additional information (description of the settlement, availability of urban planning documentation, analysis of the negative impact of hostilities, etc.), without which it is impossible to develop a high-quality Recovery Plan and which is necessary to substantiate the Plan. In addition, the Programme, similar to the Plan, contains information on projected funding for the implementation of activities.

Therefore, the decision to have two parallel documents seems irrational, resulting in the risk of formality of these documents rather than practical application.

Moreover, there are objective reasons that complicate the development of planning documents. First, after the de-occupation, many communities failed to verify data for a certain period of time. Also, a large amount of information has to be restored, as the information that was not digitised was probably lost under the occupation of the community. Secondly, there are the problems of demining, contamination of territories with explosives, as well as migration and business relocation, especially in border communities. Also, some data related to infrastructure and other facilities, strategic enterprises is classified and not subject to disclosure due to martial law. This makes it difficult to prioritise community projects.

Thus, coordination and regulatory problems still exist in the organisation of the state recovery policy. However, in 2014, the scale of destruction and the consequences of hostilities were much smaller. Therefore, in order to effectively develop and implement a policy for the recovery of regions and communities, it is important to take into account the following measures:

1) define objectives and tasks for the restoration of the de-occupied territories in the State Strategy for Regional Development as a mandatory document in accordance with the Law of Ukraine “On the Principles of State Regional Policy”;

2) to systematise the provisions of the Laws of Ukraine “On the Principles of State Regional Policy” and “On the Regulation of Urban Development” in terms of developing Comprehensive Recovery Programmes;

3) develop methodological recommendations for communities on clear guidelines for assessing the situation in a community or region before planning, identifying the needs of residents to prioritise recovery projects, and the procedure for assessing and monitoring recovery results;

4) define the criteria for functional types of territories, as provided for in the Law of Ukraine “On the Principles of State Regional Policy”;

5) optimise the work of commissions that assess the community’s compliance with the criteria for recovery areas, involving civil society organisations in the process;

6) systematise the components of the Recovery Plan and the Comprehensive Recovery Programme to avoid duplication in planning documents.

Chapter 4.

Practices of recovering de-occupied communities in Ukraine after the full-scale invasion



This section analyses the results of semi-structured in-depth interviews with stakeholders.

The main focus is to summarise the needs of local authorities to restore the socio-economic spheres of the community: security, healthcare, social services, administrative services, education, etc.

4.1. Stakeholder perspectives on the meaning of the category “recovery”

In general, for respondents, the category of “recovery” includes two main processes: *reconstruction and modernisation*. More precisely, according to respondents, recovery refers to a set of measures for reconstruction (i.e. restoration of infrastructure) and modernisation (i.e. attracting investment and planning long-term measures). At the same time, the interpretation of the concept varies from community to community, depending on the geographical location. For example, frontline communities close to the border with Russia are dealing with immediate problems related to the rapid restoration of critical services. Therefore, it is more difficult for them to plan long-term activities or think about the investment potential of the community.

Recovery, which began in communities immediately after the liberation of the territories and mostly included the reconstruction of housing and critical infrastructure as a priority (which can last up to 6 months). This is followed by systematic work to restore all areas of the community, competition for investment and measures to bring people back to the community. It is this stage of recovery that is referred to as modernisation.

“As for the recovery itself, I would not wish to divide the communities that have been affected/not affected, because the country itself needs modernisation. If we say “recovery”, we don’t want to restore the way it was, we want to do it better, more properly, more European. If these are buildings, they are inclusive and energy efficient. If these are roads, they are of European quality, with facilities for motorists, cyclists and pedestrians. If we are talking about the energy system, the energy system, as the President of Ukraine said, should be decentralised”.

Instead, we see differences in the interpretation of this category by experts. In their opinion, the meaning of the category “recovery” is much broader. Recovery should take place in all sectors and should include *building democratic institutions, developing civil society, and introducing European standards of living*.

Thus, it is difficult to identify the attitudes towards “recovery” of different stakeholders in different territories. Nevertheless, it can be argued that stakeholders’ perceptions of recovery do not differ much from the interpretation of this concept in legal acts (see Annex 1 for more details on the research categories). Although stakeholders consider reconstruction as part of recovery, i.e. its primary stage, the two concepts are rather synonymous in legal acts.

4.2. Priority areas of recovery

Recovery of de-occupied communities and prioritising challenges requires consideration of various factors. Communities experience different scales of destruction, different human and financial resources, and have been under temporary occupation by Russia for different time periods (some communities for 3 months, some for more than six months, some still are).

In general, in most communities, the first stages of recovery involved solving basic problems: providing people with housing and utilities (electricity, gas, water and heat supply, communications, etc.). If it was not possible to quickly rebuild the housing stock, local authorities provided citizens with temporary social housing. At the same time, respondents representing local authorities pointed to factors that hindered the rapid restoration of essential services at the initial stage. In particular, the lack of transport links with other areas, the inability to quickly rebuild bridges to deliver necessary materials and humanitarian aid.

Another priority task at the initial stage of recovery was to establish the work of local authorities. This is necessary for effective coordination of processes in the community, ensuring the highest possible level of security and basic needs of residents.

According to respondents, security measures should include:

- ▶ demining of territories (this need was particularly emphasised by border communities with a lot of farmland and agricultural crops);
- ▶ rebuilding social infrastructure;
- ▶ protection of administrative buildings and important enterprises;
- ▶ organisation of territorial defence units and checkpoints;
- ▶ provision of transport in case of urgent evacuation, which is especially important for communities from remote settlements (this was especially emphasised by the heads of military administrations of border areas).

It is obvious that local authorities are more aware of the problems of the community and, accordingly, how to respond to these problems. It is the local authorities who should identify the priority problems of de-occupied communities, as they have more information about the level of damage and the needs of each individual settlement. There are successful examples of communities where, in order to prioritise the necessary services, local authorities organised a census of the population in the community after de-occupation and thus identified the number of services required. The census involved calculating the number of residents in the de-occupied community and simultaneously creating a register of needs for each family. Such actions, on the one hand, helped to identify the real needs of people, and on the other hand, to rationally distribute humanitarian aid and deliver it promptly.

“I mean, I would like to see the needs of the community, the needs of the people, rather than the object, its size, beauty and impressions, come first in the recovery process. Yes, we need to help communities, not centralise them”.

At the same time, for regional recovery, due to the inability of individual communities to assess the overall situation in the region and the level of needs of neighbouring territories, the setting of priorities and the adequacy of resource allocation should be coordinated by the state authorities. This is also important in the context of regional development and compliance with the provisions of the Law of Ukraine “*On the Principles of State Regional Policy*”, which states that there are three levels of strategic planning documents for state regional policy: the State Strategy, the Regional Strategy, and the Strategy for the Development of Territorial Communities. Accordingly, these three levels are interrelated.

In addition, large-scale security measures cannot be implemented by the community alone. They require careful preparation and the involvement of central and regional authorities. This is due, firstly, to the fact that these measures may cover several settlements or even the entire region. Secondly, it requires considerable effort and coordination – for example, evacuating people requires cooperation between different communities, transport and available logistics. According to representatives of local authorities (heads of communities, heads of military administrations), a coordinated process at the state level should ensure a certain algorithm for assessing the situation in communities and identifying priorities for local authorities, which can be adapted to each specific situation. The indicators of such an algorithm, or guidelines, for setting priorities, according to community representatives, include:

- ▶ the level of damage;
- ▶ the actual number of residents and demographic characteristics of the community;
- ▶ proximity to the border with the aggressor or the front line;
- ▶ weather conditions and the season of de-occupation (community needs are based on the seasonal period of de-occupation. For example, in winter, communities needed to prioritise the restoration of critical infrastructure in the area of heat supply).

Representatives of the frontline communities noted that since damage assessment and prioritisation are not likely to be possible until the actual liberation of the territories, a *preparatory stage* is advisable. Preliminary preparations can significantly accelerate the solution of urgent tasks and issues that will obviously arise immediately after de-occupation and require resolution in the shortest possible time.

The preparatory stage should aim to include:

- ▶ organisation of resources and personnel, i.e. accumulation of human resources (volunteers, NGOs, businesses) that will be promptly involved in the recovery immediately after de-occupation⁷¹;
- ▶ accumulation of humanitarian stocks in geographically close areas (i.e. if Ukraine liberates the territory of Donetsk region, it is important to have the necessary humanitarian aid for residents in the closest region and to deliver it promptly to the designated areas);
- ▶ provision of necessary equipment, including computers, and materials;
- ▶ establishing rapid communication between regional authorities and representatives of local authorities (in particular, this is necessary to understand the capacity of local authorities to perform their duties and powers. This determines the likelihood of establishing a military administration and granting it the powers of a local authority);
- ▶ training of a team of experts to provide psychological and medical services;
- ▶ establishment of damage assessment commissions.

Special attention should be focused on the assessment of damage to facilities. Given that immediately after the liberation of the territories of Kyiv, Sumy and Chernihiv regions, it was necessary to respond immediately and rebuild housing, respondents believe that local authorities were often unable to conduct a quick and high-quality assessment of the damage on their own, and therefore needed support from higher levels of government. At the initial stage, the documentation of the damage was rather slow, because, firstly, local authorities had no clear guidelines on the procedure for drawing up an act and establishing commissions, and secondly, there was a lack of local specialists.

“*There was no one to ask, because there was no response from the district, and the region had no idea what the mechanism would be...*”

71 The example of the Ivanivska territorial community, which was restored with the help of volunteers from other regions: <https://decentralization.gov.ua/news/16813>



“The second thing we did was to set up commissions in starosta districts, and we started going round every household and just drawing up the acts we had come up with. We compiled and wrote, described, took pictures with the phones we had, took pictures of all the property that was left. But the difficulty was that we had neither computers nor any hardware at all... The first thing is a census, the second is to make a complete register of destroyed and damaged property. This is what will help people with the recovery in the future”.

Given these challenges, the main areas of support for communities can be:

Human resources: organising training for local authorities (training on how to properly fill in the necessary documents), engaging professional experts, providing communities with methodological recommendations; organising accelerated courses for people with specialised professions (builders, architects);

Technical component: provision of transport, organisational equipment for fixing damage, etc.

In addition, the state authorities need to monitor and control the speed of filling the Register of Destroyed and Damaged Property, the progress of recovery and reconstruction of individual objects. In general, this aspect is closely related to the proper coordination of community recovery.

Community representatives suggest from their own experience that for an effective process of collecting information about damaged buildings, it is necessary to involve several commissions according to a certain schedule. In other words, it would not be ordinary citizens who submit applications about destroyed housing, but commissions that assess all damage gradually according to a pre-established schedule. ***This approach will help avoid chaotic processes on the ground and social tension among residents.*** After all, they will be clearly informed about the working schedule of the commissions.

Particular focus should be placed on communities with settlements at high risk of shelling and possible repeated destruction. Despite the prevailing opinion among respondents that recovery is not possible in such communities, they should be provided with a stock of materials to preserve damaged facilities until full recovery is possible. This also requires clear coordination at the regional and national level and respective regulatory support.

Alongside the tasks related to the reconstruction of damaged property, it is urgent for communities to stimulate economic performance. *Respondents pointed to the need to create jobs, which will lead to an increase in local budget revenues and thus motivate people to return to their communities.* Another equally important issue is the recovery of services (especially education), which also influences people's decisions to return to their communities.

Thus, after the de-occupation, communities used different procedures for recovery. This was primarily due to the lack of unified approaches or algorithms that should have been enshrined at the national level. Therefore, many problems were addressed on an ad hoc basis, without clear priorities. At the same time, communities need certain algorithms that will take into account the individual needs of each community in need of recovery.

4.3. Development of planning documents

The prioritisation of recovery areas in communities depends on good planning and their overall strategic vision. Instead, as noted above, immediately after the de-occupation, communities solved problems on an ad hoc basis, with insufficiently clear coordination at the central level, limited information and guidance. This may be due to the renewal of the work of the relevant ministry and the merger of the two ministries into a single Ministry of Community, Territorial and Infrastructure Development of Ukraine, which led to a change of personnel and delayed processes.

Thus, respondents believe that the development of planning documents is necessary for a variety of reasons. On the one hand, the Law of Ukraine *“On the Principles of State Regional Policy”* is in force at the central level, requiring communities to develop planning documents. On the other hand, it is necessary to receive funding from both the state budget (SFRD) and international partners. Respondents also noted the importance of developing recovery strategies and plans simultaneously. Although these are two different documents, the process of their preparation should go hand in hand.

The recovery plan should address the reconstruction of housing, critical and social infrastructure. It should be flexible and reviewed periodically depending on the security situation in the communities. While the strategy should set long-term objectives for community development and relevant measures.

In addition, respondents noted the need for a clear distinction between national and local issues related to recovery. In particular, it is important that the State Strategy approves unified state policy objectives, and that specific steps for community development are elaborated at the local level in accordance with these objectives. For example, the State Strategy defines a security component for the border areas, and specific measures in those communities are developed according to this framework, depending on the needs and available resources.

The State Strategy should be developed jointly with the communities, as it is a framework document that should be followed by community strategies.

It is important to note that some communities had experience in developing strategies before the full-scale invasion. Local self-government bodies in these communities positively assess the availability of planning documents, but recognise the need to significantly revise the strategies in line with the ongoing war. At the same time, it takes a considerable period of time – from 6 to 8 months – to develop planning documents of high quality.

Representatives of civil society organisations believe that the development of planning documents can help define a vision of community development and long-term goals. *At the same time, local government representatives should generate ideas and discuss projects with the public before de-occupation. This will facilitate a quick response after the liberation of the territory, as well as the search for funding for project implementation.*

Alongside, there was a different position among respondents, namely representatives of military administrations, regarding planning documents. In particular, they believe that the development of strategies is an unproductive, irrational waste of resources and time, especially under martial law, and especially for frontline, border communities and those subject to constant shelling.

For such communities, it is necessary to approve rules that would allow for adjustments to the strategies of territorial communities, as new problems arise and the situation is constantly changing. In addition, according to the respondents, it is necessary to simplify the system of strategy development and adjust the deadlines, as there is a lack of strategy development experts in the communities.

“*The sooner the recovery moves from paper to action, the faster the result will be, and people will be able to return to normal life and adapt to the post-war period*”.

Despite the importance of planning documents for the recovery of de-occupied communities, representatives of local authorities and the MAs face various difficulties in preparing them, including:

- ▶ the lack of qualified personnel and experience in writing planning documents;
- ▶ the lack of a defined national policy (e.g., on issues such as the return of IDPs and refugees; identification of types of territories with special conditions, such as the degree of destruction, proximity to the border with Russia, low population density, etc.);
- ▶ the impossibility of calculating quantitative data on the socio-demographic situation in communities;
- ▶ the lack of sufficient quality communication between the central government and representatives of LSG bodies and MAs, which affects the quality and efficiency of the planning documents. As noted by stakeholders, LSG authorities are often overwhelmed with requests in the form of quantitative data and reports, which are often duplicated and required in a short time. For LSG authorities, such requests make it difficult to fulfil various urgent recovery tasks, and these tasks are different: in addition to development planning, border communities are responsible for the prompt recovery of critical infrastructure after constant shelling and the provision of services to residents.

Given these challenges, communities need the following measures to effectively prepare planning documents:

- ▶ *defining a national recovery policy* on issues such as the return of IDPs and forced migrants; identifying settlements that cannot be rebuilt in the short term; and restoring and developing areas with special conditions (proximity to the border with Russia, low population density, etc.);
- ▶ *developing a universal methodology for quantifying the socio-demographic characteristics of communities* for the purpose of organising recovery (population, rates of return of IDPs, areas of attractiveness for business, investment, etc);
- ▶ *providing recommendations and methodological materials for the development of planning documents;*
- ▶ *improving communication between the central executive authorities and community representatives in the context of strategy development, involving community representatives in the preparation of the State Strategy.* This is necessary, in particular, to minimise chaos and to ensure that the strategies of territorial communities are in line with the goals of the State Strategy, which should be based on the needs of communities;
- ▶ *developing and implementing training programmes to improve the skills* of local government representatives, organising expert advisory support (e.g., creating a separate advisory body in communities).

In addition, in order to develop a planning document and successfully implement actions, it is necessary to identify sources of funding, since without proper resource support, the documents will be formal. For more information on the specifics of financing, see subsection 4.4.

4.4. Specifics of funding and resource allocation

Representatives of the de-occupied communities noted that at the first stage of recovery, the main sources of funding were international organisations and charitable foundations. For the most part, these ties were formed by communities through personal contacts without the involvement of regional or central authorities. The need for additional fundraising was due to the lack of sufficient local budgets and dependence on government subsidies.

The ongoing war, the need to provide services to residents, and the significant destruction of the housing stock forced communities to engage various resource providers. *However, according to the respondents, funding should be a combination of different sources and allocated according to priorities.* In order for the distribution to be transparent, objective criteria are needed, such as:

- ▶ assessment of community needs;
- ▶ the number of damaged objects in the Register of Damaged Property;
- ▶ the feasibility of rebuilding specific facilities (e.g. by matching the needs and socio-demographic indicators of the communities).

According to stakeholders, resource allocation should be determined and controlled by the central government. At the same time, it would be more efficient to direct funds to the sites of recovery projects without involving regional authorities in the process. This is because there are risks of unfair distribution of resources at the regional level: bias, lengthy selection procedures, and corruption.

“That is, the responsibility goes down to the lowest level, as we always say – the closest to the people. Since it is closest to the people, this is where these issues need to be resolved. That’s it. And all the resources should be directed to this authority: warehouses with building materials, food, everything, and not somewhere at the regional level. Because officials really want to set up regional warehouses at the regional level, where usually half of those warehouses are stolen, never delivered, and so on”.

The representatives of the local authorities were also quite critical of the competitions for resource allocation.

The disadvantages of the competitive selection process include unequal conditions of communities already at the initial stage, namely that communities have different amounts of damage and different capacities in terms of human and technical resources to develop projects.

In order to ensure that the distribution of public funds is fair, it is necessary to take into account the expert review of projects by the public. This will help to ensure that funds are used rationally in accordance with the needs of communities and the availability of certain resources.

A separate issue related to the distribution of funds is supervision and control. *According to experts, control is necessary in the allocation and use of funds, but it is not about state supervision and control. Rather, it is about internal control within each body that both provides funds and advises community representatives to avoid mistakes in their use.* It is the providers of financial resources who should do the monitoring and control – this is the most effective tool.

Therefore, taking into account all the challenges, the state recovery policy should focus on the following measures:

- ▶ reasonable distribution of resources among the de-occupied communities;
- ▶ minimising corruption risks in the distribution process (defining transparent and objective distribution mechanisms based on indicators depending on the number of destroyed objects);
- ▶ assistance in establishing communication between communities and international partners.

Recovery policy requires a comprehensive approach – from identifying needs and priorities to developing planning documents that form a list of necessary measures, define the amount of funding and responsible persons. In addition, it is important to ensure effective coordination of all involved actors. This implies cooperation between all levels of government (national, regional, local), the involvement of NGOs, and the participation of business representatives.

4.5. The role of recovery policy actors

Central and regional authorities

According to respondents, compared to 2014, the role of the central government in the context of a full-scale ongoing war has increased. This is due to the fact that, firstly, the scale of destruction is much greater, as not only communities but also entire regions are affected. Secondly, the number of IDPs and forced migrants is significant, which affects the economic stability of the country. At the same time, community representatives expressed reservations about the merger of ministries into a single Ministry of Community, Territorial and Infrastructure Development of Ukraine, as this led to staff turnover and raised concerns about potential risks to decentralisation.

“When we had representatives (I mean, we as a local government) in the Government and even the Ministry of Regional Development, we were heard. They did not agree with us, but they heard us. And now, when the ministries are merging, perhaps it is a balanced and thorough decision. But there are concerns that we will still lose the close communication with the central government that we had before. I want the laws that are adopted to be designed not as actions for the martial law period, but with further development of decentralisation and with further consideration for decentralisation...”

The organisation of recovery policy also involves the cooperation of various central executive authorities. *According to the respondents, the lack of coordination between state bodies at the central government level slows down the recovery of communities and delays decision-making.* Therefore, it would be advisable to develop a standardised assistance package that takes into account the needs of communities in various areas and the capacity of the central government to address these needs (infrastructure projects, education, healthcare, social services, etc.). This will optimise communication and help to address the priority recovery tasks in the shortest possible time. Thus, each ministry will understand its role in organising the recovery and the assistance they can provide to communities.

According to community representatives, the role of the central government in organising recovery is as follows:

- ▶ coordination – facilitating communication between communities and CFs and international partners;
- ▶ development of a state recovery policy with defined indicators;
- ▶ monitoring the maintenance of the Register of Damaged Property;
- ▶ developing the necessary regulations to organise recovery. This also includes communication with local communities on the development of regulations and amendments to laws. According to the respondents, regulations often do not correspond to the real needs of communities, which creates difficulties in their implementation;
- ▶ development of methodological guidelines for communities;
- ▶ accumulation of resources and assistance in financing recovery projects.

The role of regional authorities is equally important in organising community recovery. Since communication between communities and the central government often depends on the heads of the RSAs, and due to the proximity of the regional authorities to the communities, problems are resolved promptly. At the same time, respondents noted that the impact of communication between regional and local authorities largely depends on personal connections, as well as the activity of local authorities and their political will. This means that communities often do not have fair access to resources, which affects the effectiveness of recovery.

According to respondents, the role of regional authorities in the recovery is as follows:

- ▶ providing resources to meet priority needs (e.g. construction materials, transport);
- ▶ assistance in the restoration of critical infrastructure (electricity, gas, water and heat supply, communications, etc.);
- ▶ assistance in maintaining the Register of Damaged Property.

Local authority and community cooperation

It is worth noting that some communities have established military administrations as temporary bodies that ensure public order and security in the de-occupied communities. Moreover, these bodies perform the role of local self-government and provide necessary services to residents. For the most part, military administrations have been established in those communities that have been under temporary occupation for more than six months. The heads of military administrations were appointed by those elected as heads of communities in the 2020 local elections⁷². The exceptions are those communities where the heads of the communities are either suspected of collaboration or have resigned⁷³.

According to the respondents, the creation of the MAs is a justified decision for the short run, as their main functions are to ensure security. However, the responsibilities of the heads of the MAs are not limited to military and humanitarian tasks. They also have to deal with administrative issues and provide humanitarian assistance to the community, are responsible for the local budget, and community cooperation with other actors, which is complicated by the following factors:

- ▶ *lack of management experience in local authorities in the context of the ongoing war*. Often, the heads of MAs are persons who have no previous experience of working in local government structures;
- ▶ *lack of awareness of community specifics* (territory, resources, cultural heritage). This is due to the fact that there are cases when people from other regions or communities are appointed as heads of MAs;
- ▶ *lack of proper communication with local residents*. This is due to restrictions on public participation in some communities where security risks are high.

Obviously, it can be argued that the introduction of the MA is an effective solution, but a temporary one. According to the respondents, this decision can be considered as a preparatory stage for the full-fledged work of local self-government. This is primarily due to the fact that community recovery requires their needs assessment, planning and development, and this demands a capable local government.

72 The Law of Ukraine «On the Legal Regime of Martial Law» provides for the possibility to appoint the head of the military administration of the settlement (settlements) to be the respective village, town or city mayor (Article 4).

73 Who will lead the communities in the de-occupied territories?

<https://parlament.org.ua/2023/01/12/hto-keruvatime-gromadami-na-deokupovanih-teritoriyah/>



“It is up to the community to decide how to rebuild the community. The military administration is not a community. In general, it would be good if local administrations returned to performing their functions everywhere. And the military administrations would do what is necessary, which is a matter of security and defence”.

Therefore, respondents noted that local self-government should be restored as quickly as possible wherever feasible. However, the transition period should be determined depending on such factors as the duration of the temporary occupation, the existence of a capable local government in the community, the possibility of holding elections (including the return of IDPs to the territory of de-occupied communities and a census), the ideological affiliation of local politicians, etc. If a direct transition to full-fledged local self-government is not possible, military-civilian administrations may become an interim governing body in a long term. *At the same time, it is proposed to monitor the work of the state structure on the ground. This may involve the public sector.* First, monitoring is necessary to minimise corruption risks, improve the transparency of the MAs, and increase the trust of the local population in the heads of the MAs.

Community cooperation can be a powerful tool for the recovery of de-occupied communities. The use of this tool contributes to solving common problems affecting several communities, while at the same time ensuring the rational use of funds, sharing knowledge and experience⁷⁴. However, after the full-scale invasion, cooperation between communities was mostly informal. The most common areas of cooperation were the provision of humanitarian aid, food, medicines, etc. to the affected communities. There were also one-off partnerships to help deliver construction materials to rebuild destroyed facilities. *However, according to the respondents, in order to achieve more sustainable results, it would be appropriate to develop incentives for long-term cooperation between communities, which would involve constant exchange of information and planning of joint activities.*

⁷⁴ According to the Register of Cooperation Agreements of Territorial Communities, 153 cooperation agreements have been concluded since the beginning of Russia's full-scale invasion as of 14.09.23.

Currently, communication between communities is primarily based on personal contacts and depends on the initiative of local government representatives. Incentives for cooperation may include:

1) creating an open register of proposals for community cooperation, which can significantly simplify the search for potential partners;

2) developing a long-term programme of cooperation with communities from the rear, which will facilitate the exchange of experience with different communities, not only neighbouring ones.

Residents and business

The activity of residents in community recovery varies depending on the territory, geographical location of the community, and demographic structure of the population. In general, according to respondents, public participation in recovery is an important component. However, it is difficult to conclude that the level of activity of residents is high in the first stages of recovery, immediately after de-occupation. This is quite obvious, since immediately after the de-occupation, residents need to be provided with humanitarian aid, basic services, and housing reconstruction.

However, respondents emphasised the need to involve community residents at the stages of identifying recovery priorities and community development goals. This way, it is possible not only to correctly project the needs of the community, but also to create an additional incentive for the creation of social cohesion. However, despite all the advantages of residents' participation in decision-making on recovery, representatives of de-occupied communities recommended using digital technologies and surveys with caution. This is due to the **following factors**:

technical capabilities: some of the de-occupied settlements may not have electricity and communication, a significant number of residents do not have or do not use technical means (smartphones, computers). Accordingly, unequal access to technical capabilities will lead to distorted voting results;

inequality of access based on age: elderly people who do not have access to internet connection and do not participate in surveys may constitute a significant share of the local population in some communities;

lack of comprehensive understanding of community development: residents may not have complete information about the extent of damage in the community, leading to irrational prioritisation of recovery efforts.

Business plays an important role in the recovery. As noted in the section on priority areas of recovery, the economic component is one of the main pillars. In this case, the involvement of local businesses in the recovery has significant benefits for the community. It can create new jobs, stimulate economic activity and fill local budgets. Moreover, given the connections of business representatives (both formal and informal) with other communities and regions, this will speed up the implementation of recovery projects and solve the priority problems of the community without involving other levels of government.

Representatives of civil society

Partnerships between local authorities and civil society organisations in planning and implementing recovery measures can provide more balanced results and contribute to sustainable community development in accordance with needs and resources. Instead, there are currently significant disproportions in the number of civil society organisations in communities. This has become especially acute after the full-scale invasion. According to respondents, small communities lack an active population due to significant migration. Some NGOs changed their focus to volunteer assistance to the affected areas and support for the army. Some representatives of civil society have joined the Armed Forces of Ukraine. Civil society organisations tend to have a more active presence in large cities, while initiatives at the regional level are insufficient. Furthermore, there are still CSOs that perform mostly formal functions or are created exclusively for specific projects to receive funding. These factors have led to disproportionate civic participation in communities. At the same time, there are positive practices where several civic initiatives in a community have merged into a single centre or hub, and thus have maintained their presence in community development.

“We have united several NGOs into the Centre for Civic Initiatives so that they don't have to go to the city council separately to ask for something... Everything has changed, the situation is completely different, and they are trying to write some grants, win some competitions. But we also have an active charity foundation in the city that works in the community. They are trying to attract a lot of international technical assistance, generators, and help for refugees and those who have been affected. In close cooperation with us, they find out from us the problems that need to be solved, where we cannot join in for some reason, or lack funds, or lack hands. They try to lend a shoulder, and it helps us a lot”.

Representatives of local authorities highlight the main functions of NGOs in the recovery process, namely:

- ▶ **controlling:** monitoring the transparency of the authorities' decisions (which is especially relevant in the case of the introduction of the MA/ CMA) and controlling the use of resources; there should be a public council at the MA, the CMA (if they will act as temporary bodies);
- ▶ **dialogue / advisory:** communication with residents and conveying their position to the authorities; mediation between the authorities and residents; training of other civil society organisations, exchange of experience;
- ▶ **project activities:** preparation and implementation of projects by areas of activity, fundraising;
- ▶ **civic engagement:** promoting the participation of local residents in decision-making processes and building a democratic society;
- ▶ **sectoral work:** for example, providing psychological assistance; supporting families of veterans or people with disabilities and providing other social services through social services commissioning; and supporting youth organisations and young people.

Thus, it can be argued that the role of civil society in recovery is important, but at the same time, certain incentives are needed to intensify their activities in communities. Therefore, it is necessary to involve national and regional NGOs in de-occupied communities to share experiences with local organisations, conduct trainings, and provide them with sub-grants that will strengthen their capacity.

4.6. Needs assessment for the recovery of de-occupied communities in Ukraine

First, it is worth emphasising the main criteria for community capacity. After the de-occupation of the territories and in the process of recovery, it is necessary to define in advance all the important criteria related to the capabilities and capacity of local authorities to provide services to residents. In the normative discourse, a *“capable territorial community” is a territorial community of villages, towns, cities that, as a result of voluntary amalgamation (voluntary accession to an amalgamated territorial community) are able to provide an adequate level of public services, in particular in the field of education, culture, healthcare, social protection, housing and communal services, independently*

*or through the relevant local self-government bodies, taking into account human resources, financial support and infrastructure development of the relevant administrative-territorial unit*⁷⁵. Thus, it can be argued that the restoration of territorial communities directly depends on the ability to provide public services to residents in accordance with the available financial, human and infrastructure resources.

Moreover, this statement is confirmed by the results of the interviews. According to the stakeholders, the criteria for community capacity include not only the financial component, but also the ability of the community to provide all the necessary services and ensure a comfortable life for its residents. More specifically, the respondents highlighted the following factors:

- ▶ security and confidence in the future;
- ▶ availability of housing and employment opportunities;
- ▶ provision of basic services (education and healthcare).

This will encourage people to return to their places of residence. In addition, additional steps are needed. This includes systematic monitoring of changes in the socio-demographic landscape in the community. However, communities currently do not have tools for such an assessment, and there are no general methods for predicting the return of IDPs. According to respondents, this is due to the lack of a national policy.



“The community does not know who has left, nor does it know how many of these people are there. And I don’t see any tools for the community at the local level to influence their return.”

75 Resolution of the Cabinet of Ministers of Ukraine of 8 April 2015 No. 214 «On Approval of the Methodology for the Formation of Capable Territorial Communities»: <https://zakon.rada.gov.ua/laws/show/214-2015-%D0%BF#Text>

Thus, in order to determine the community's capacity, and thus to restore it, it is necessary, first, to study the socio-demographic profile of the population and establish forecasts for the return of IDPs. Secondly, it is necessary to assess the needs of residents to provide them with appropriate services. As a result, it is possible to model the restoration of public services in various areas according to available resources. Below are the needs of communities in various socio-economic areas summarised from the interviews, which form the basis for the recommendations.

Security

According to stakeholders, security is a key factor affecting both the speed of recovery and the pace of return of IDPs, stimulating economic activity, attracting investment, etc. It is obvious that it is difficult to guarantee full security for residents in the context of an ongoing war, but respondents note that there should be a National Security Strategy in place to *develop a set of security standards to guarantee the safety of citizens and businesses*. These include:

- ▶ provision of shelters;
- ▶ creating or upgrading an effective warning system;
- ▶ development of action algorithms and evacuation plans in case of an aggravation of the security situation.

The main function of local authorities in the context of security, according to respondents, is to monitor the implementation of security standards set by the state and adapt them to the specifics of the community. After all, it is obvious that each community has different conditions that should also be taken into account when developing security measures. For example, representatives of border communities noted that the border with Russia is a constant threat. This complicates recovery planning and determining community development. At the same time, they need to be provided with additional equipment in case of urgent evacuation.

Housing stock and transport infrastructure

Rebuilding housing and restoring transport links were priority measures after the de-occupation of communities. According to respondents, in the case of minor damage, local governments independently solved the problem of residents' lack of property. Some of them rebuilt damaged housing, provided construction materials, and some set up modular towns as temporary housing. However,

in the case of significant damage to the housing stock, local authorities faced problems. In particular, it concerned the lack of sufficient funding and human resources. To address this, the local authorities worked closely with regional authorities and international partners. In parallel with the reconstruction of the infrastructure, transport links and logistics were restored. This is due to the fact that immediately after the de-occupation, residents needed humanitarian aid, medical services, etc.

However, once the priority problems were resolved, the communities faced the need to plan recovery measures. According to community representatives, *spatial planning for recovery should be based on indicators of population size and composition, and take into account the economic component, needs and capacities of communities. In addition, respondents from border communities noted that, depending on security and economic conditions, the possibility of relocating people within the community should be considered.* This could, in particular, be done through a programme of certificates for destroyed housing, which would provide people with housing in safer conditions. However, there are certain risks in such actions. According to respondents, the introduction of a certificate system will not encourage IDPs to return to their places of residence. This will lead to imbalances in the population structure in communities.

Spatial planning should also consider the feasibility of rebuilding a particular facility. *According to the respondents, reconstruction should focus on building new rather than rebuilding old, including revising safety standards, updating service delivery systems, using modern technologies, developing new economic sectors, etc.*

Taking these fundamental aspects into account, spatial planning should be based on the following indicators:

- ▶ the extent and degree of destruction;
- ▶ the number of residents remaining in the community and forecasts of the return of IDPs;
- ▶ economic activity of the residents;
- ▶ the possibility of relocating people within the community due to security risks;
- ▶ accessibility of basic services;
- ▶ prospects for the development of various community sectors.

Economics and business

Different security conditions affect different rates of economic recovery in communities. And this is obvious, given that the territories bordering Russia and Belarus stretch along the border for 2,800 km². These territories are very limited in economic development and human potential. Therefore, it is impossible not to take this situation into account when planning recovery.

The first factor affecting the pace of recovery of the economic component is the level of security. The absence of guarantees and constant shelling has led to the relocation or even termination of businesses. At the same time, representatives of the de-occupied communities claimed that the relocation of enterprises has not become a widespread phenomenon. Indeed, according to the Ministry of Economy, as of March 2023, 800 businesses had been relocated to safer regions due the government's relocation programme since the start of the full-scale invasion. Most businesses were relocated to Lviv (24%), Zakarpattia (14.5%), Chernivtsi (9.8%), Ivano-Frankivsk (8.3%), Khmelnytskyi (7.3%), and Ternopil (6.3%) oblasts⁷⁶. However, some enterprises are returning to their previous places of work.

76 During the year of war, 800 enterprises were relocated to safer regions:
<https://www.me.gov.ua/News/Detail?lang=uk-UA&id=a700c206-722a-4752-b5bb-78a1063ae9db&title=ZaRikViiniVBilsh>

The second factor affecting recovery is the industry of the enterprise.

According to the respondents, agricultural communities are recovering faster than industrial ones, but the main challenge is the demining of agricultural land. This requires the involvement of a specialised contractor or government assistance. In addition, to ensure the sustainable development of agrarian regions, it is important to support agricultural processing companies. This will help generate added value, increase tax revenues, and create new jobs.

The third factor is the geographical location of the community. The closer it is to the border with the aggressor or the front line, the less likely it is to fully restore the economic component. These communities need a different approach to recovery, and the same rules that are in the laws and apply to the entire territory cannot be applied in their case. *According to stakeholders, in these communities, the state recovery policy should be aimed at stimulating the development of the following economic sectors: open-pit mining, forestry, and agriculture.*

The fourth factor is the lack of qualified personnel. Even if business processes are launched quickly, the problem of skilled workers remains relevant. This is directly related to the migration of people to safer places to live. Respondents also noted the need to involve people in blue-collar jobs and construction workers in community recovery. This requires a government policy to promote blue-collar jobs and organise specialised training. Equally important for de-occupied communities is the need for training in project management and governance.

Thus, it can be argued that measures to restore the economic component should be developed jointly by national and local authorities. Only a clear state policy can establish recovery approaches in accordance with the zones of the territories, create programmes for business return and provide additional assistance in relocating production facilities. According to the respondents, the primary focus should be on the recovery of small and medium-sized businesses and support for enterprises that can generate added value. At the same time, it is the local authorities that should choose the tools to create competitive advantages for local businesses (e.g., tax benefits, loan programmes, reduction of bureaucratic obstacles, etc.), as local authorities are in direct contact with local entrepreneurs and have information about the resources and opportunities of the community.

Education

According to the Ministry of Education and Science of Ukraine, as of July 2023, since the beginning of the full-scale invasion, 3,450 educational institutions have been affected by bombing and shelling, 331 of which have been completely destroyed⁷⁷. Given this scale of destruction, it is clear that a significant amount of financial resources is needed to rebuild educational institutions. *At the same time, according to the respondents, the number of schools should be reviewed and balanced in accordance with real needs and forecasts (in particular, the likely number of children, the rate of return of IDPs), and should be consistent with the strategy of the territorial communities.* In addition, schools should be rebuilt on the basis of optimisation, inclusiveness, compliance with safety standards, using energy-saving technologies and new architectural standards, and taking into account logistical possibilities for children from remote settlements.

Given the different socio-demographic situation, the level of damage to educational institutions, human resources, and the different time periods of temporary occupation, different approaches to the restoration of education in communities are needed. If we talk about the communities that were under occupation for no more than three months, the educational process resumed quite quickly, and the training took place in a distance format. *This enabled the children to continue studying under Ukrainian curricula, the teaching staff, and the opportunity to stay in touch with their peers and teachers.* Nevertheless, respondents noted that, if possible (availability of heat and electricity, communication, shelters), education should resume in person as soon as possible.

As for those communities that have been under long-term occupation by Russia and are still under occupation, the restoration of education in these territories requires a special approach. *According to the respondents, the main problem in these communities is the lack of teachers who could teach the Ukrainian school curriculum.* This requires the development of appropriate tools to replace teachers who worked in the territories occupied by Russia or collaborated with the occupation regime with educators with an active pro-Ukrainian position. Thus, the development of approaches to the restoration of education should be carried out at the national level, considering the conditions and peculiarities of the territories.

77 Ministry of Education and Science of Ukraine: <https://saveschools.in.ua/>

The main directions of the state policy of education restoration should be:

- 1) modernisation of educational institutions;
- 2) provision of facilities and equipment;
- 3) development of measures to attract teachers to de-occupied communities;
- 4) preparation of special curricula for the territories that have been under prolonged occupation.

Healthcare

The major problems faced by the de-occupied communities are the destruction of medical facilities, loss of medical equipment, and lack of qualified medical professionals (especially narrowly specialised ones). Obviously, to solve these problems, it is necessary to combine the efforts of representatives of all levels of government.

According to stakeholders, *such measures need to be approved at the national level:*

- 1) a priority state support package. Residents in the de-occupied communities probably did not have access to quality medical services throughout the entire period of occupation. Therefore, the organisation of emergency medical care and provision of basic medicines should be included in this package;
- 2) in the event that a rapid recovery of the medical sector is not possible, it is necessary to facilitate the provision of qualified medical care directly in the communities. This can be done by introducing temporary measures such as mobile medical centres or mobile medical teams;
- 3) In addition to family doctors, mobile medical teams should include narrowly focused specialists, such as dentists, gynaecologists and obstetricians, venereologists and dermatologists, and psychiatrists;
- 4) ensure that mobile teams are included in the long-term healthcare recovery programme. This is necessary to ensure stable access to healthcare until the healthcare system in the community is fully restored

5) review and approval of general rules for assessing the accessibility of hospitals and construction standards. Due to the increasing number of people with limited mobility (injured military personnel, people with disabilities, and the elderly), hospitals should be equipped with lifts and other means to ensure accessibility of services.

Obviously, both temporary and permanent measures in the medical sector require staffing, which is the task of central and local authorities. *According to healthcare experts, the state should develop an incentive package to attract qualified medical staff.* Incentives could include housing, adequate working conditions and financial support, as well as professional training programmes as an additional incentive for young professionals.

Social and administrative services

The restoration of administrative and social services occurred in parallel with the resumption of other processes in the community immediately after de-occupation. According to the respondents, communities did not need significant additional assistance. After access to the registers was restored, administrative services were provided with the involvement of clerks in starosta districts and ASC employees. *As a temporary measure, the mechanism of mobile field teams was used to provide social payments and psychological assistance.* This made it possible to provide the necessary services to vulnerable and less mobile groups of the population.

However, for full recovery and service delivery, the initial action should be to determine the socio-demographic composition of the community and their needs, as well as to assess logistical capacities and financial resources. As mentioned in the previous sections, there are currently no methods for predicting the return of IDPs and refugees. This makes it difficult for communities to prioritise services according to the needs of their residents.

Culture

Rebuilding infrastructure, restoring services, strengthening social cohesion, enhancing the capacity of local governments, etc. are all components of the state recovery policy. This is confirmed both by legal documents on recovery and by the results of interviews. Culture is one of the main areas that affects community resilience. Those communities that have been under temporary occupation for a long time have been significantly affected by the occupation regime. That is why this area needs to be given considerable attention.

Given the prolonged occupation of some communities, there is a high probability of a significant number of collaborators, which affects not only the restoration of the cultural sphere, but also the overall implementation of state recovery policy measures. Representatives of local authorities noted that residents who had been forced to leave their communities mentioned the possibility of social tension between the groups of “those who left” and “those who stayed” as one of their main concerns.

Restoring trust within the community can be achieved through swift punitive measures against those who collaborated with the occupation authorities.

However, according to the respondents, the existing legal mechanisms and the attention of the relevant law enforcement agencies (SBU, MIA, etc.) are currently insufficient to respond quickly and restore social justice. The regulatory framework on collaborative activities needs to be improved due to insufficiently clear criteria for defining collaborators.

“Everyone who dreams of returning and plans to return, they ask one question first and foremost. And it is not about living conditions without electricity, water, or gas. It concerns how the relationship with those who stayed there during that time will be developed.”

According to the respondents, the following measures should be taken into account in the context of cultural recovery:

- 1) development of civil society;
- 2) formation of national identity in the de-occupied territories;
- 3) combating Russian propaganda and controlling the information space in the de-occupied territories, developing a state information policy;
- 4) restoring trust in the Ukrainian authorities;
- 5) defining the concept of collaborationism and tools for prompt punishment of perpetrators;
- 6) technical support for the availability of Ukrainian content. It should be borne in mind that the formation of consciousness largely depends on access to information.

The prospects for restoring the cultural sphere are closely linked to the level of civil society involvement. *Representatives of local authorities believe that the involvement of NGOs and cultural initiatives from other regions opens up opportunities to enrich the cultural environment of de-occupied communities and encourage the return of the territories to the all-Ukrainian cultural field.* Cultural initiatives can become a platform for cooperation between residents and local authorities, a tool for increasing community cohesion. However, it is also important to involve residents in decision-making on planning cultural events. *From the experience of representatives of de-occupied communities, it is necessary to avoid imposing specific cultural initiatives from the outside, and to consider the cultural space as a result of the interaction of the local community.*

Recommendations for stakeholders

The analysis of the experience of restoring de-occupied communities in 2014-2023 allowed, on the one hand, to identify legal and coordination gaps, and, on the other hand, to pinpoint the problems faced by the communities themselves. This requires all stakeholders to join forces and resolve issues to avoid future risks.

The resilience of communities and the continuous work of local authorities in the face of serious security threats have ensured that the services provided meet the current needs of citizens and respond promptly to problems. This underscores the importance of decentralisation, which has legitimately strengthened the role of local authorities, expanded the powers of local governments, and improved social cohesion in communities.

As part of this report, stakeholders were interviewed about their views on community recovery, as well as the needs and challenges associated with arranging recovery. The results show that there are certain gaps in both communication and regulation. The recommendations below, based on the results of the interviews, are cross-sectoral and require the involvement of various recovery actors.

Human resource

- ▶ Organize the *training of qualified personnel in communities to develop strategic planning documents* through the development of specialised training programmes. Creation of a pool of trained specialists to strengthen the staff of de-occupied communities, especially in project management and governance.
- ▶ Introduce incentives to *attract more applicants to the professional fields* that are most in demand for the restoration of de-occupied communities, such as architecture, education, healthcare, and social services. Local vocational schools can become one of the sources for increasing the number of qualified specialists in communities in certain areas.

- ▶ Introduce the *activities, and provide financial and technical support, of mobile medical teams in the de-occupied communities* by engaging narrowly focused specialists, including vaccination services, testing for common diseases, and general tests.
- ▶ Develop a state programme to *attract healthcare workers to work in the de-occupied communities*, including incentives (preferential housing, bonuses and salary supplements, additional social benefits, professional development opportunities).
- ▶ Develop a *state programme to attract teachers* to work in the de-occupied communities, including incentives (preferential housing, bonuses and salary supplements, additional social benefits, professional development opportunities, provision of additional educational resources and materials).
- ▶ Develop *educational curricula for de-occupied communities, depending on the duration of the occupation* and historical background, with a special emphasis on the study of the Ukrainian language, history and culture of Ukraine, and patriotic education. Provide teachers with the necessary teaching materials and advisory support.
- ▶ Develop guidelines for the preparation of *plans for the restoration of social services* in communities based on the scale of destruction, the current and projected number of residents, the composition of the population by age groups, the number of vulnerable and disadvantaged groups, employment rates, average income, and the number of social professionals in the community. Depending on the needs and number of vulnerable groups, identify incentives to provide the community with social workers and psychologists.
- ▶ Develop incentive mechanisms to encourage local CSOs to return to the community, activate new social movements by providing access to resources (premises, equipment), involvement in decision-making on community recovery and development, and providing sub-grants. Develop programmes of experience exchange and partnership with international and all-Ukrainian social movements to engage them in the implementation of cultural and educational projects in de-occupied communities, and promote social services commissioning.

Security standards

- ▶ Develop and implement *a set of safety standards*, including requirements for shelters, a warning system, an action algorithm and evacuation plans (consider the possibility of relocating people within the community). Provide funding and technical support for the implementation of safety measures at the local level, as well as communication with residents. The compliance of a community with a certain security standard should be determined by its geographical location and proximity to the border with Russia, Belarus and the front line.
- ▶ Develop a strategy for the *recovery of communities with special security conditions* (proximity to the border, frontline), which should include the identification of potential threats (military threats, illegal movement of people or goods, terrorist activities, etc.) and the provision of adequate infrastructure (deployment of military units, border posts, construction of surveillance systems).
- ▶ Ensure systematic *monitoring of compliance with safety standards* in the community and at enterprises through regular audits, and take measures in case of violations (imposing fines, revoking licences, etc.). Create mechanisms to involve the public in the process of monitoring compliance with safety standards.

Financial resources

- ▶ Define transparent and *objective criteria for the allocation of resources* for the equitable restoration of de-occupied communities according to the types of territories. Control over their use, as well as facilitating the search for potential investors, can be carried out through the development of an automated system.

Infrastructure

- ▶ Revise *hospital construction standards to ensure accessible, inclusive conditions* in view of the increasing number of people with limited mobility and people with disabilities.

Normative and methodological aspects

- ▶ Develop *instructions for local authorities to assess the situation and identify priorities and needs* depending on the level of damage, the actual number of residents and demographic composition, and security conditions (proximity to the border/frontline, de-occupation season, etc.) Thanks to this guidance, communities will be able to conduct their own analysis, which will significantly speed up the recovery process.
- ▶ Ensure the organisation of a *preparatory period for de-occupation*, which should include: accumulation of humanitarian stocks, preparation of damage assessment commissions, training of a team of specialists in psychological and medical services, provision of transport and organisational equipment.
- ▶ Develop state policy and identify incentives for *IDPs and forced migrants to return to their places of origin*. Incentives may include: one-time financial assistance for transportation costs, programmes to restore damaged housing (e.g., certificates) or provide temporary housing, preferential loan programmes, employment assistance, grants for business start-up or development, recognition of educational documents from other countries, preferential conditions for admission to universities, and educational and professional development programmes.
- ▶ Develop *tools to engage residents and civil society organisations in setting community recovery priorities* in line with current needs. Ensure equal opportunities for all groups of the population to participate in setting priorities through open consultations, public meetings, platforms for exchanging proposals, etc. Organise informational and training events at the community level on the role of public participation tools, monitoring of local government activities, and control over the use of resources for recovery projects.
- ▶ Identify a universal methodology for calculating *quantitative indicators and forecasting the population structure and socio-economic development of communities*. Such indicators may include: age, vulnerable and disadvantaged groups, employment rate, average income, etc.
- ▶ Improve the *system of registration of IDPs by creating a single centralised register* that would include full information on previous place of residence and place of registration upon displacement. Provide access to the register for representatives of local authorities.

- ▶ Develop a set of tools for the *restoration of local businesses* in de-occupied communities, which may include: lending programmes, innovation incentives, tax breaks, war risk insurance, reduction of bureaucratic obstacles to doing business, etc. The programmes should focus on supporting small and medium-sized businesses, as well as enterprises that can generate added value. Ensure the effective functioning of employment centres and the development of employment programmes, as well as the expansion of the regional network. Security conditions and the type of territory should be taken into account, depending on the proximity to the border with Russia, Belarus and the front line. In such territories, enterprises should be encouraged to operate in the following areas: forestry, agriculture, and open-pit mining.
- ▶ Introduce a state programme for the *demining of agricultural land* with a schedule for surveying communities, training additional regional pyrotechnic units of the SES, and accelerating the production or purchase of demining machines.
- ▶ Develop an open *register of proposals for community cooperation*, which will simplify the search for potential partners and expand the network of contacts between communities. The register should include information on needs, opportunities for cooperation, and project ideas. Establish mechanisms for *cooperation between de-occupied communities and communities from the rear*, including regular exchange of information, organisation of meetings, seminars, working groups, etc.
- ▶ Create *competitive advantages for local businesses by adapting government programmes* for the restoration of local businesses to the specifics of the community (available resources, pace of infrastructure and other basic services). Introduce support for relocating production facilities of relocated enterprises.
- ▶ Develop *community employment plans* and employment programmes that are aligned with community recovery and development strategies, take into account the specifics and potential of communities, and are regularly updated in line with changes in needs and resources. Consultations with local businesses and employment centres should be held when developing the plans.

- ▶ Develop a nationwide cultural programme that will help *attract cultural initiatives* from other regions and enrich the cultural environment of de-occupied communities. Support partnership projects and exchange of experience between cultural initiatives from different regions and communities.
- ▶ Amend the legislation of Ukraine to harmonise the provisions on Comprehensive Recovery Programmes in the Law of Ukraine “On Urban Development” and the bylaws of the Law of Ukraine “On the Principles of State Regional Policy”
- ▶ Establish the possibility of revising strategies for de-occupied communities, taking into account their proximity to the border with the aggressor and the likely risks of repeated destruction.
- ▶ Review the legal framework on collaboration, in particular with regard to penalties for cooperation with the aggressor country, taking into account the context (field of activity, circumstances that could have influenced the decision, voluntary or forced participation in collaboration).

Annex 1

A brief overview of the main research categories

For the correct analysis and interpretation of the research results, it is important to clarify the terminology. In the research document, the most commonly used category is “recovery of territorial communities”. In the broadest sense, the term “recovery” means “to restore to its former appearance something damaged, spoilt, destroyed; to bring back to its former state; to renew”.

In fact, this interpretation is quite appropriate for the interpretation of the term “recovery” in relation to certain objects. The term “rebuilding” is often used in public discourse, meaning “restoration of something destroyed or abandoned (farms, cities, villages, factories)”.

Therefore, it can be assumed that the concepts of “restoration” and “reconstruction” have much in common, in many cases they can be synonymous, in some cases – as completely independent and different concepts.

Some experts distinguish between the concepts of “recovery” and “reconstruction”. In the context of regional policy research, we find the following distinctions:

- ▶ **reconstruction** is the repair or rebuilding of structures that were damaged or destroyed during the war, including physical and social infrastructure, as well as the restoration of land that has been contaminated, mined or otherwise degraded;
- ▶ **recovery** is the revival of economic activity, social networks and public services that have been affected by the reorientation to the needs of the war economy and humanitarian aid, the relocation or closure of businesses and the migration of people to the west of the country and abroad;

- ▶ *modernisation (development)* requires structural changes in the economy, institutions and governance that will create a more competitive and sustainable economy and improve the welfare of the population. The experience of the new EU member states shows that the requirements of the European integration process are both a motivating and stimulating factor for modernisation and implementation of structural changes⁷⁸.

The draft Recovery Plan for Ukraine⁷⁹ presents projects and measures for the long term, broken down into three periods:

- ▶ wartime;
- ▶ the reconstruction and recovery phase;
- ▶ the stage of modernisation and integration into the EU.

Thus, according to the Plan, the concept of reconstruction is used in the context of recovery. Instead, the category of “reconstruction” has a different meaning defined by law and means “the restructuring of a construction object put into operation in accordance with the established procedure, which involves changing its geometric dimensions and/or functional purpose, key technical and economic indicators (quantity of products, capacity, etc.), improving production, increasing its technical and economic level and the quality of manufactured products, improving operating and living conditions, and the quality of services”⁸⁰.

The Law of Ukraine “On the Principles of State Regional Policy” provides a narrower and more legal definition of the concept of “recovery of regions and territories”: “*the recovery of regions and territories affected by the armed aggression against Ukraine* is a set of priority organisational, financial and other measures aimed at the accelerated restoration of critical infrastructure, social infrastructure, residential and public facilities to a state that allows for the return of internally displaced persons and refugees to the region, and the creation of favourable conditions for the activities of all business entities”⁸¹.

78 <https://decentralization.ua/uploads/attachment/document/1293/%D0%90%D0%BD%D0%B0%D0%BB%D1%96%D1%82%D0%B8%D0%BA%D0%B0.pdf>

79 <https://recovery.gov.ua/>

80 <https://dbn.co.ua/blog/rekonstrukcija/2014-04-01-1175>

81 <https://zakon.rada.gov.ua/laws/show/156-19#Text>

Thus, the *“recovery of territorial communities”* is consistent with the relevant definition in this Law, which we use in our study.

Another concept related to the implementation of recovery measures is the *state recovery policy*. There is no definition of this category at the legislative level. The Law of Ukraine “On the Principles of State Regional Policy” defines the concept of “state regional policy” as a system of goals, measures, means and coordinated actions of central and local executive authorities, authorities of the Autonomous Republic of Crimea, local self-government bodies and their officials to ensure a high level of quality of life throughout Ukraine, taking into account the natural, historical, environmental, economic, geographical, demographic and other features of the regions, their ethnic and cultural identity. Thus, it can be considered that the *recovery policy is a certain system of measures and actions aimed at ensuring an appropriate level of quality of life*.

Annex 2

List of CMAs established in Donetsk and Luhansk oblasts in 2015

The Decree of the President of Ukraine “On the Establishment of Civil-Military Administrations” of 5 March 2015, No. 123/2015⁸², established the following CMAs:

Donetsk oblast military-civilian administration;

Luhansk oblast military-civilian administration;

civil-military administration of Avdiivka city of Donetsk oblast;

civil-military administration of Vuhledar, Donetsk oblast (ceased to operate under the Decree of the President of Ukraine of 24 December 2015 No. 719/2015⁸³);

civil-military administration of Krasnohorivka, Marinka district, Donetsk oblast;

civil-military administration of Krymske village, Novoaydar district, Luhansk oblast;

civil-military administration of the villages of Triokhizbenka, Kriakivka, Lobacheve, Lopaskyne and Orikhove-Donetske, Novoaydar district, Luhansk oblast;

civil-military administration of Novotoshkivske village and Zholobok village, Popasna district, Luhansk oblast;

civil-military administration of Troitske and Novozvanivka villages of Popasna district, Luhansk oblast.

82 <https://zakon.rada.gov.ua/laws/show/123/2015#Text>

83 <https://zakon.rada.gov.ua/laws/show/719/2015#n7>

By the Decree of the President of Ukraine “On the establishment of civil-military administrations No. 469/2015⁸⁴ of 7 August 2015, the following were established:

civil-military administration of the town of Marinka and the village of Pobeda, Marinka district, Donetsk oblast;

civil-military administration of Kominternove, Vodyane and Zaichenko villages of Volnovakha district, Donetsk region.

By the Decree of the President of Ukraine “On the establishment of civil-military administrations No. 469/2015⁸⁵ of 13 August 2015 the following were established:

civil-military administration of Rubizhne, Luhansk oblast (ceased to operate under the Decree of the President of Ukraine of 24 December 2015 No. 719/2015⁸⁶);

civil-military administration of the cities of Lysychansk, Novodruzhesk and Pryvillia, Luhansk oblast (ceased to operate under the Decree of the President of Ukraine of 24 December 2015 No. 719/2015⁸⁷).

84 <https://zakon.rada.gov.ua/laws/show/469/2015/ed20150807#Text>

85 <https://zakon.rada.gov.ua/laws/show/472/2015/ed20150813#Text>

86 <https://zakon.rada.gov.ua/laws/show/719/2015#n7>

87 <https://zakon.rada.gov.ua/laws/show/719/2015#n7>

Annex 3

List of CMAs and communities where no elections were held

The following CMAs were approved by the Decree of the President of Ukraine of 19 February 2021 No 61/2021 “On the Formation and Reorganisation of Civil-Military Administrations in Donetsk oblast”⁸⁸:

- Svitlodarsk city civil-military administration of Bakhmut district;
- Toretsk city civil-military administration of Bakhmut district;
- Volnovakha city civil-military administration of Volnovakha district;
- Vuhledar city civil-military administration of Volnovakha district;
- Myrnenska settlement civil-military administration of Volnovakha district;
- Olhyne settlement civil-military administration of Volnovakha district;
- Sartana settlement civil-military administration of Mariupol district;
- Avdiivka city civil-military administration of Pokrovsk district;
- Maryinka city civil-military administration of Pokrovsk district;
- Ocheretyn village civil-military administration of Pokrovsk district.

88 <https://www.president.gov.ua/documents/612021-36741>

By the Decree of the President of Ukraine of 19 February 2021 No. 62/2021 “On the Establishment and Reorganisation of Civil-Military Administrations in Luhansk Oblast”⁸⁹, the following CMAs were established in Donetsk oblast:

Hirske city civil-military administration of Sievierodonetsk district;

Lysychansk city civil-military administration of Sievierodonetsk district;

Popasna city civil-military administration of Sievierodonetsk district;

Sievierodonetsk city civil-military administration of Sievierodonetsk district;

Shchastia city civil-military administration of Shchastia district;

Stanychno-Luhanska settlement civil-military administration of Shchastya district;

Nyzhnyoteplivka village civil-military administration of Shchastya district;

Shyrokivska village civil-military administration of Shchastya district.

⁸⁹ <https://www.president.gov.ua/documents/622021-36745>

Annex 4

Distribution of the SFRD funds in 2015-2021, UAH mln

		2015	2016	2017	2018	2019	2020	2021
Donetsk oblast	80%	234	239.5	279.1	476	606.6	591.9	354.8
	20%				301.7	341.8	352.8	207.2
	Total	234	239.5	279.1	777.7	948.4	944.6	562
Luhansk oblast	80%	120.7	123.8	144.4	245.6	313.3	305.9	183.5
	20%		69.9	94.2	155.7	176.5	182.3	37.9
	Total	120.7	193.7	238.5	401.3	489.8	488.3	221.5

Source: official website of MinRegion

Summary data on the legality and efficiency of the use of the SFRD funds by audited regions in 2017 and 2018, UAH thousand

Regions (oblast/city)	The use of of funds in violation of of the law		Inefficient use of funds			
	Total	including losses of	including			
			Total	Uneco- nomical	Unpro- ductive	Inef- fective
Total for audited regions	196 508,0	69 627,7	158 470,3	20 508,9	35 679,2	102 282,1
Incl. Dnipropetrovsk oblast	2 124,7	2 124,7	-	-	-	-
Donetsk oblast	6 862,8	5 758,7	8 172,6	5 225,5	-	2 947,1
Kirovograd oblast	25 789,4	18 500,5	78 943,8	7 067,1	-	71 876,7
Lviv oblast	9 654,5	1 224,8	12 516,1	-	0,8	12 515,3
Odesa oblast	15 300,0	-	44 368,0	291,8	35 678,4	8 397,7
Sumy oblast	7 331,1	7 016,8	619,5	440,8	-	178,7
Kharkiv oblast	9 236,7	1 516,9	307,5	26,1	-	281,5
Kherson oblast	62 293,2	9 997,4	279,7	-	-	279,9
Khmelnysky oblast	10 362,8	558,6	1 139,3	1 139,3	-	-
Cherkasy oblast	36 820,5	19 389,0	12 123,7	6 318,3	-	5 805,4
Kyiv	10 732,4	3 540,4	-	-	-	-

Source: Decision of the Accounting Chamber "Report on the Results of the Audit of the Efficiency of the Use of the State Fund for Regional Development for 2019"⁹⁰

90 http://www.rp.gov.ua/upload-files/Activity/Collegium/2019/7-1_2019/Zvit_7-1_2019.pdf