Economic Affairs, Vol. 68, No. 04, pp. 2277-2288, December 2023
DOI: 10.46852/0424-2513.4.2023.35

Review Paper

Post-war Recovery Practices for Ukraine, based on the Experience of other Countries that have Undergone Similar Processes

Olha Kravchenko[1*], Larysa Sergiienko[2], Hanna Niameshchuk[3], Tetiana Mamatova[4] and Iryna Chykarenko[4]

[1]Department of Law Enforcement and Anti-corruption Activities, Interregional Academy of Personnel Management, Kyiv, Ukraine
[2]Faculty of National Security, Law and International Relations, Zhytomyr Polytechnic State University, Zhytomyr, Ukraine
[3]Department of Marketing and International Management, Oles Honchar Dnipro National University, Dnipro, Ukraine
[4]Department of Public Administration and Local Self-government, Dnipro University of Technology, Dnipro, Ukraine

*Corresponding author: olhaokravchenko@gmail.com (**ORCID ID:** 0000-0003-0133-2202)

Received: 13-09-2023 **Revised:** 26-11-2023 **Accepted:** 02-12-2023

ABSTRACT

This article aims to study the specifics of post-war recovery practices in European countries to elaborate on the key recommendations for Ukraine's post-war reconstruction policy. The research methodology is based on general scientific and empirical methods of studying political, economic, social, and institutional factors of Ukraine's recovery and similar practices of the most developed countries. The study results of post-war reconstruction practices in European countries prove the importance of building institutional norms, European integration (political, economic, ideological, and value-based), and mechanisms for financing development projects to create a new innovative model of economic growth and social welfare. Furthermore, the implementation of the Marshall Plan (European Recovery Program) and the Dodge Line (Recovery Program for Japan) prove the importance of creating capable institutions and their political cooperation with the affected countries to promote industrial growth and transition to post-industrial societies dominated by a significant share of the quaternary and quinary economy sectors. Practical relevance. The article's authors analyzed the Recovery Plan of Ukraine compared with the reconstruction plans of European countries and Japan. The authors have identified the need for institutional support from international partners due to high corruption risks in Ukraine, the resource-based structure of the Ukrainian economy, and the need to stimulate economic development through investment, innovation, and building effective education, social security, and healthcare systems. Therefore, as part of Ukraine's recovery policy, it would be reasonable to use mechanisms of institutional and political support from partners and economic development financing means to address the problem of institutional failure in Ukraine.

HIGHLIGHTS

- This article aims to study the specifics of post-war recovery practices in European countries to elaborate on the key recommendations for Ukraine's post-war reconstruction policy.
- The research methodology is based on general scientific and empirical methods of studying political, economic, social, and institutional factors of Ukraine's recovery and similar practices of the most developed countries.

Keywords: Post-war reconstruction, plans for post-war recovery, post-war reconstruction of Ukraine, economic growth model

How to cite this article: Kravchenko, O., Sergiienko, L., Niameshchuk, H., Mamatova, T. and Chykarenko, I. (2023). Post-war Recovery Practices for Ukraine, based on the Experience of other Countries that have Undergone Similar Processes. *Econ. Aff.*, **68**(04): 2277-2288.

Source of Support: None; **Conflict of Interest:** None

Despite the ongoing war, Ukraine has launched a reconstruction and recovery planning process, including active analysis and discussion of initiatives and solutions for infrastructure reconstruction, analysis and assessment of direct and indirect losses from damage to infrastructure, and discussions on potential mechanisms for its restoration. In 2023, critical infrastructure restoration and emergency repairs began (energy, social, and transportation). In addition, international partners actively cooperate through financial assistance mechanisms (loans, grants, and guarantees) to promote global stability and security. The foregoing requires a detailed study of the current state of infrastructure renovation in Ukraine and long-term development planning, as well as the practice of post-war reconstruction of Ukraine, taking into account the experience of European countries.

This article *aims* to study the specifics of post-war reconstruction practices in European countries to formulate key recommendations for Ukraine's post-war reconstruction policy.

LITERATURE REVIEW

Post-conflict reconstruction (PCR) plans are considered within the context of peace, security, and economic development policies, as well as the state's role in reconstruction and growth (Akimova *et al.* 2020). For example, Pugh (2005) discusses reconstruction and rehabilitation as part of the liberal ideology of economic development and peacebuilding and argues that it is important to consider the socio-economic problems of post-war society, such as rising poverty and the black economy. In his analysis of post-war development based on capitalism, Murphy (2005, p. 97) links development to capitalist processes to ensure global sustainability. The first ideas on peacebuilding also link economic development and reconstruction (Galtung, 1976), describing the problem of "economic hegemony and the unequal distribution of world resources" (Pugh, 1995, p. 321).

Scientific discussions consider peacebuilding within the context of the ideology of market relations and economic and political liberalization through the separation of powers (Paris, 2010; Curtis, 2013; Kotenko *et al.* 2020; Kryshtanovych *et al.* 2021). Paris (2010) explores the specifics of market fundamentalism, which intensifies and escalates socio-economic challenges after the conflicts. Omeje (2018) criticizes liberal peacekeeping in Africa for generating democratic conflicts while implementing neoliberal programs. The opposing assumptions of neoliberalism with the importance of state structures and the prioritization of security in the context of "clientelism, cronyism, and corruption" are put forward by Smith *et al.* (2020) (Smith *et al.* 2020, p. 4). The authors also emphasize institutional failure and state fragility based on empirical studies of African countries' development in the post-conflict context (Osaghae, 2007).

Historically, the state has been seen as the driving force behind PCR, especially in J. Keynes' work on post-war reconstruction in Europe (Keynes, 1923). In many European countries, institutions and historical traditions have determined how to implement industrial policy after 1945. Thanks to creating a common market and adapting US norms, experience, and organizational innovations, a new economic growth model, the Marshall Plan, based on industrialization, industrial development, and social welfare, was introduced in Europe (Chassé, 2014). State intervention under the recovery plans of Western Europe and Japan after World War II ensured economic growth and social welfare (Addison *et al.* 2001). In addition, it promoted political integration and the establishment of common human values. Hitchcock (2010) notes that in the historical context, the Marshall Plan was the first stage of building a community of ideas, economic and political connections, and security between the US and the EU. From 1948 to 1951, the United States provided European countries with 13 billion dollars in support for European countries or 2% of the US GDP. The reconstruction funding ensured industrial growth from 87% in 1947 to 135% in 1951 (Eichengreen, 2010).

Borodina & Lyashenko (2022) describe the key approaches and principles of implementation and the consequences of the Marshall Plan (The European Recovery Program, ERP) and the Dodge Line. The ERP goal was to stimulate European industrial production, adopt policies to promote stable economic growth and implement measures to increase trade with other world countries (Tarnoff, 2018). Brenner (2023) also proposes to introduce a recovery plan for Ukraine similar to the Marshall Plan, which includes "relevant institutions, and measures on urban development, especially renewal, organization of authorities, safeguarding plans, reallocation of property rights and - perhaps - betterment levy will be needed."

Eichengreen & Uzan (1992) conclude that stimulating investment, increasing imports, and financing infrastructure repairs could have been more important recovery measures for European countries. At the same time, resolving the marketing crisis in Europe was crucial for socio-economic development, including political instability, shortages of consumer goods, and fears of a financial crisis, which led to the stockpiling of goods by manufacturers and consumption restrictions. Addressing the marketing crisis is also relevant in the context of Ukraine and its high political instability and institutional failure.

The effectiveness of the Marshall Plan facilitated its use as a mechanism for providing large-scale financial assistance to foreign countries, including the African states (Eichengreen, 2010). Meanwhile, for African countries, government intervention, actions, and measures do not ensure rapid macroeconomic recovery and growth of social welfare (Addison *et al.* 2001). The reason for this is, in particular, the links of African countries with state actors in the post-war context and their institutional failure, which should be considered in the post-war recovery plan for Ukraine. Other studies on the state's role in conflict-affected regions highlight the recovery experience in Rwanda and Ethiopia (Mann & Berry, 2016; Zenawi, 2012).

There are the following characteristics and conditions of post-conflict reconstruction and sustainable development that are worth noting (Geda, 2011):

1. a broad framework for long-term development planning, including poverty reduction targets;
2. the need to formulate social policy per the socio-economic problems of the society;
3. the need for large amounts of financial assistance when intervening in the politics of post-conflict countries requires a deep understanding of society.

Thus, understanding the socio-economic problems of the state in the post-conflict stage of development is extremely important for developing a development plan and financing by international partners.

The World Bank's main tool for determining the institutional capacity of conflict-affected states to build peace and financial support for fragile countries is the Country Policy and Institutional Assessment (CPIA) and post-conflict performance indicators (Geda, 2011; Ikpe, 2021). Moe & Geis (2020) study hybridity in policy organization in the context of Africa and highlight the interconnections between local, national, regional, and international levels of development, which are shaped mainly through informal social systems, institutions, and state structures. On the other hand, the studies by McCandless (2020) and Albrecht (2017) on social contracts use a more dynamic approach to the interaction of the state (institutions) with society within the context of economic development.

Thus, in the scientific literature, the issue of post-war reconstruction planning is studied in the context of state intervention, the institutional capacity of the state in planning and implementing the reconstruction plan, financing of the post-conflict development plan by international partners, and the preconditions for economic development, potential socio-economic problems, the role of political and economic liberalism, and neoliberalism. These political, economic, social, and institutional development factors should be considered when planning Ukraine's post-war recovery and developing a new economic growth model.

METHODOLOGY

The authors use general scientific methods (analysis, synthesis, generalization, analogy, abstraction, and concretization) and empirical methods to study the political, economic, social, and institutional prerequisites for Ukraine's recovery and similar practices of most developed countries. The authors used the Corruption Perceptions Index rating of Ukraine for 2013-2022 to assess the institutional prerequisites for recovery. They analyzed the institutional support for the Recovery Plan, in particular, the institutional structure of the National Recovery Council and similar recovery plans for Europe (Marshall Plan) and Japan (Dodge Line).

The analysis of the sectoral structure of the Ukrainian economy and the most developed world countries by the structure of GVA in 2020 (%) was conducted to analyze the macroeconomic preconditions for recovery, highlighting the key economic sectors for growth: ICT, education, science, vocational activities, healthcare, and social work. The calculations of each sector's share are based on the classification of economic activities proposed by sociologist D. Bell. He is the founder of the post-industrial society concept, who presented his version of the five-sectoral economy structuring corresponding to the innovative type of economy. According to D. Bell's concept of a post-industrial society, the primary sector includes extractive industries: agriculture, mining, and fishing; the secondary sector includes manufacturing; and the tertiary sector includes transportation and utilities. D. Bell referred to trade, finance, insurance, and real estate as the quaternary sector. The scientist included healthcare, education, research, recreation, and public administration in the quinary sector (Bell, 2020). Depending on the technological level of development of society, the following sectors are dominant:

- the "primary" sector of the national economy is agriculture;
- the "secondary" sector is industry;
- the "tertiary" sector is the service sector.

Thus, the technological criterion is the basis for understanding the driving force behind the transition from the dominance of specific types of economic activity. The production of services, research and development, organization of scientific and educational activities, and improvement of the quality of life characterizes a post-industrial society (Bell, 2020).

The authors analyzed the GVA share of healthcare and social work activities, especially in the most developed countries, to assess the social preconditions for overcoming potential social problems, particularly those related to rising income inequality.

The study also uses estimates of Ukraine's direct and indirect losses as a result of hostilities. The Kyiv School of Economics' loss estimates as of December 2022 and loss and needs assessments (RDNA 1, 2 - Rapid Damage and Needs Assessment; RDNA is the first comprehensive assessment of the war's impact in twenty different sectors after Russia invaded Ukraine) conducted by the Government of Ukraine, the European Commission and the World Bank in cooperation with partners.

RESULTS AND DISCUSSION

Preconditions for planning the post-war reconstruction of Ukraine

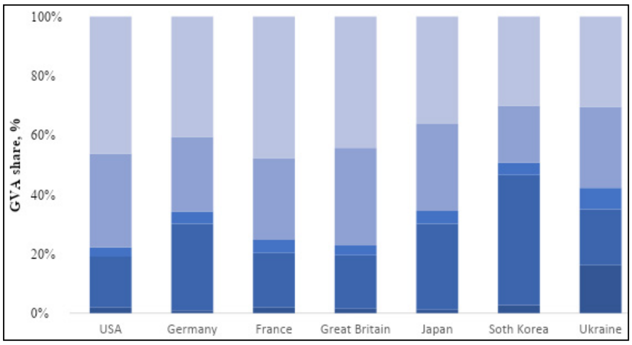
According to the Corruption Perceptions Index 2022, Ukraine received 33 points out of 100 and ranked 116th out of 180 countries in terms of CPI indicators (for example, in 2013, the score was 25 points, in 2017 - 30 points, in 2020 - 33 points) (Transparency International, 2023). Since 2018, the steady growth of the Index has stopped due to the lack of positive changes in curbing corruption, in particular, because of the following:

- no progress in anti-corruption investigations;
- delay in adopting the Anti-Corruption Strategy in 2021;
- insufficient operational and institutional capacity of anti-corruption agencies (access to proper judicial expertise, expansion of powers, ensuring verification of anti-corruption agencies);
- lack of political will, etc.

In 2022, anti-corruption investigations in Ukraine intensified due to the strong public demand to punish corrupt persons and public and media monitoring of corruption schemes and episodes of corruption (Transparency International, 2023). In such a highly corrupt environment, the level of the state's institutional capacity to ensure economic growth is reduced, and the risks of black economy activities are increased.

Given that Ukraine's Recovery Plan declares the potential for "leap-frog economic growth and life quality in Ukraine," it is advisable to determine the macroeconomic and social preconditions for development and the current state of Ukraine's economy, technological and sectoral structure in comparison with other countries.

Fig. 1 shows the sectoral structure of the national economies of the world's most developed countries and Ukraine by the share of each sector's GVA in 2020. The built models of the national economy structure by GVA reflect significant differences in the technological structure of Ukraine compared to the United States, Germany, France, the United Kingdom, Japan, and Korea. Developed countries are completing the transition to a post-industrial society dominated by quaternary and quinary economy sectors. Accordingly, economic sectors such as trade, finance, insurance and real estate, healthcare and social work, education, research and development, recreation, public administration, and ICT dominate. Instead, Ukraine is characterized by a resource-based economy, a slow transition from an industrial to a post-industrial society with a low share of high-tech sectors in GDP. The structure of Ukraine's GVA shows a significant share of the agricultural sector (16.16%) (State Statistics Service of Ukraine, 2023b). Therefore, the transition to innovative development is defined as one of the tasks in the post-war reconstruction, which should ensure the transition to an innovative economic growth model.



Source: *Calculated by the authors according to OECD (2023), State Statistics Service of Ukraine (2023b).*

Fig. 1: Sectoral structure of the world's most developed countries and Ukraine's national economies by GVA in 2020, %

The sources of economic growth in developed countries should be specified, including a significant share of GVA in such economic activities as ICT, education and science, healthcare, and social welfare. These sectors of the national economy contribute to the socio-economic development and well-being of the population, ensuring both technological innovation growth and the life quality of the population. Science and education are the sectors that generate the potential of the innovation economy, while ICTs contribute to the development of knowledge-intensive production. Thus, the largest share of the ICT sector in the total GVA of all industries is in the United States (6,35%), the United Kingdom (6,27%), France (5,25%), Japan (4,96%), South Korea (4,85%), and Germany (4,64%) (OECD, 2023). In Ukraine, the share of the ICT sector's GVA for 2000-2020 was, on average, 4,33%, increasing from 3.31% to 5.35% over twenty years (State Statistics Service of Ukraine, 2023a; 2023b). Compared to the most developed countries, the share of GVA in the structure of the Ukrainian national economy of professional, scientific, and technical activities that form the innovative type of the national economy is much smaller - only 1,06%, while in the United States, it is 7,61%, in France - 7,4%, in Japan - 7,09%, in the United Kingdom - 6,84%, and in Germany - 6,47%. The education sector also has a significant share of GVA in the total gross output of all economic sectors. The share of the ICT industry in GVA in the quinary sector remains consistently high in all countries, especially in Korea - 50,99%, Japan - 45,46% (OECD, 2023), and Ukraine - 42,66% (State Statistics Service of Ukraine, 2023a).

Developed countries are characterized by intensive growth of the fifth sector, the information sector, in the context of high-quality, innovative economic development. First and foremost, it happens in the context of qualitative changes in the state's socio-economic life, the improvement of the population's welfare, and changes in the demand structure. Such changes can be seen in the growth of GVA's share of activities related to healthcare and social welfare, especially in the most developed world countries (in the UK, the share of GVA in these sectors increased from 6% in 2000 to 9% in 2020, in Japan - from 5% to 8%, respectively, in France - from 7% to 9%, respectively, in Germany - from 6% to 8%, respectively, in Korea - from 2% to 5%, respectively, in the United States - from 6% to 8%, respectively) (OECD, 2023). For comparison, in Ukraine, the share of GVA in healthcare and social welfare remained at 3% between 2000 and 2020. It indicates the lack of qualitative socially oriented changes in economic development, which, in turn, affects the population's educational, scientific, and innovative potential and human capital quality. The Recovery Plan pays significant attention to programs and projects in the following areas:

- restoring and modernizing social infrastructure (the amount of funding is planned at $35 billion),
- developing culture and sports systems ($20 billion),

- ensuring effective social policy ($7 billion),
- developing the education system ($5 billion),
- modernizing the healthcare system ($5 billion).

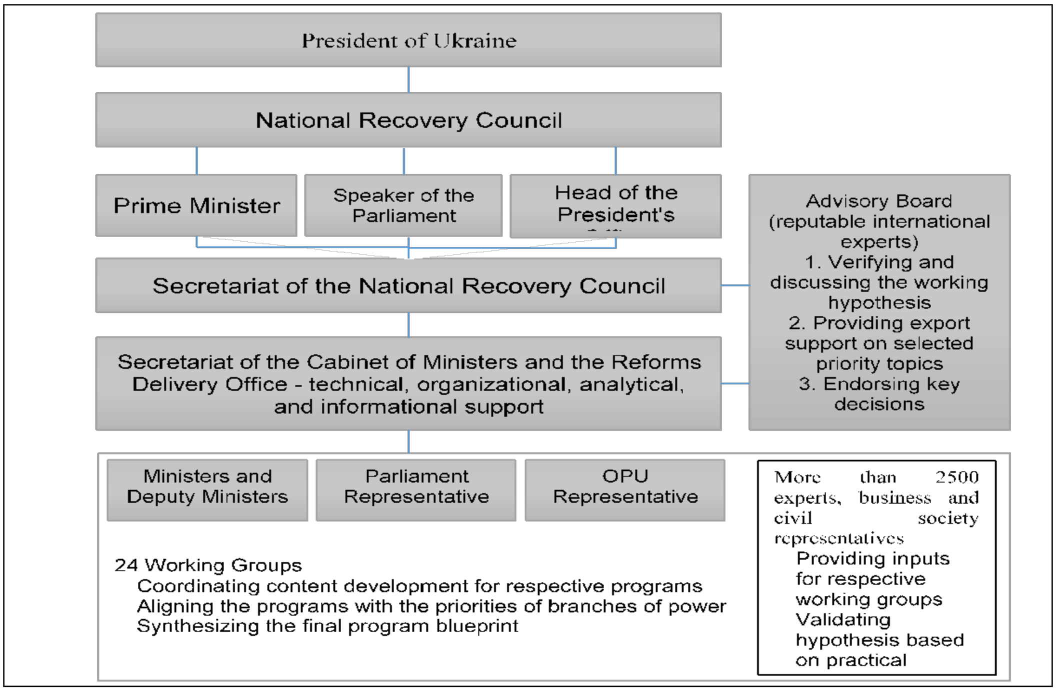
Ukraine's losses caused by the war and potential reconstruction expenses

According to analysts at the Kyiv School of Economics, as of December 2022, the total amount of direct recorded damage to Ukraine's infrastructure caused by the war since February 24, 2022, is estimated at $137,8 billion (at replacement cost) (Kyiv School of Economics, 2023a). In the first joint assessment (RDNA1), the Government of Ukraine, the European Commission, and the World Bank, in cooperation with their partners, calculated that the ongoing cost of reconstruction and rehabilitation of the social, industrial, and infrastructure sectors in Ukraine is $349 billion (€349 billion), which is 1,5 times bigger than Ukraine's GDP in 2021 (European Commission, 2023; The World Bank, 2023). According to the new joint assessment (RDNA2) covering the period from February 24, 2022, until February 23, 2023, conducted by the Government of Ukraine, the World Bank, the European Commission, and the United Nations, the cost of reconstruction and recovery for Ukraine has increased to $411 billion (€383 billion). Reconstruction and recovery costs are expected to be met over 10 years with public and private funds. The RDNA2 estimates that Ukraine will need $14 billion to make critical and priority investments in reconstruction and recovery in 2023.

The practice of implementing post-war reconstruction plans

The President of Ukraine established the National Council for the Reconstruction of Ukraine to coordinate the Recovery Plan during its implementation. The Council, in particular, has working groups to develop content for reconstruction programs, to ensure their compliance with the priorities of the state authorities, and to develop the city's urban planning (Fig. 2).

The policy of strengthening institutional capacity and the concept of a digital state are defined as the basis for Ukraine's recovery. The priority initiatives for strengthening institutions for Ukraine's economic, social, and environmental growth include transparency of public data and accountability, reform of the rule of law, corporate governance (including state-owned enterprises that are not subject to privatization), synchronization with the best European practices of antitrust legislation



Source: *Ukraine's National Recovery Plan. National Recovery Council.*

Fig. 2: Institutional support for the implementation of the Recovery Plan of Ukraine

and organization of the relevant institutions, reform of the public service sector (strengthening the organizational structure, digitalization of key services, and the development of a new public administration).

Table 1 summarizes the main principles of the Marshall Plan, the Dodge Line, the Recovery Plan for Ukraine, and the institutional structure to coordinate and support the implementation of recovery programs and projects. The Marshall Plan had two bodies responsible for implementing the programs: The U.S.-led Economic Cooperation Administration (ECA) and the Organization for Economic Cooperation and Development (OECD). The latter ensured that the participants fulfilled their joint commitments regarding policies to increase trade and output. The ECA provided financial assistance to Europe for purchasing goods

Table 1: Main principles of implementation of the Marshall Plan, Dodge Line, and Recovery Plan for Ukraine

Recovery plan (country(ies)/ implementation period)	**Implementation principles**		
	Development approach	**Conditions of assistance**	**Jointly Coordinated Efforts**
Marshall Plan (European countries)/ 1948-1951	1. Expand European agricultural and industrial production. 2. Restore the "health" of currencies, finances, and budgets in particular European countries. 3. Stimulating trade between European countries and between Europe and the rest of the world.	1. Refusal of industrial nationalization. 2. Freedom of entrepreneurship. 3. Reducing customs fees. 4. Restrictions on trade with the communist countries. 5. Providing territories for American military bases	The Economic Cooperation Administration and The Organization for European Economic Cooperation
Dodge Line (Japan)/ 1949-1965	1. Disbanding of the zaibatsu - feudal-militaristic clan corporations. 2. Demonopolization was carried out, and freedom of trade was declared. 3. Land reform was carried out, and liberal labor legislation was introduced. 4. Implementation of tax reform.	1. Return from militarism to liberal values, 2. Demonopolization, 3. Launching the mechanism of free competition	SCAP (13 countries, including the United Kingdom and the USSR, but, in fact, the United States)
Recovery Pan for Ukraine/ 2023 – 2032	1. Regionally-oriented approach to implementation: recovery projects are localized in the regions and supported by international partners. 2. The National Recovery Plan provides an overall framework for managing regional plans and projects. 3. Strengthening institutional capacity and "deoligarchization" (transparency of public data, reform of the rule of law, corporate governance, privatization, public service reform). 4. Intensification of the EU integration process.	1. A course towards liberal European values. 2. Market expansion through integration into the EU. 3. Strengthening security in the defense sector, infrastructure, and energy. 4. Corporatization of state-owned enterprises management which cannot be privatized, and their transfer to public-private partnerships. 5. Signing the Green Agreement with the EU. 6. Innovative development, including stimulating entrepreneurship, particularly SMEs, as the basis for a new economic growth model.	National Council for the Recovery of Ukraine from the War Losses International Agency for Reconstruction of Ukraine

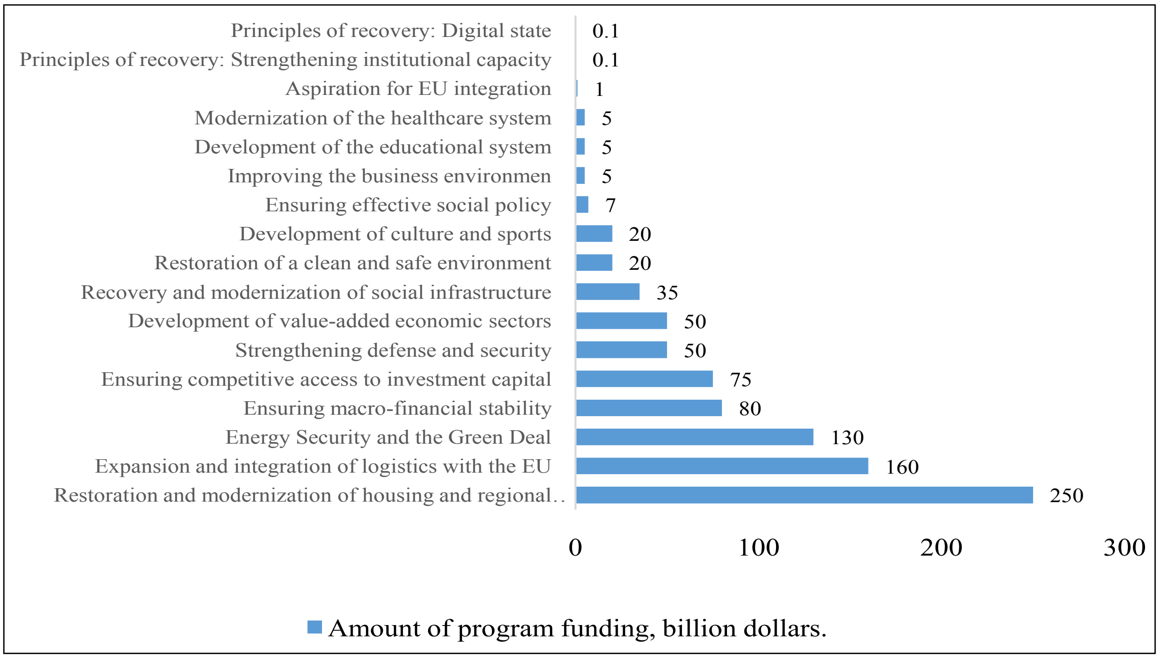
Source: *Summarized by the authors based on Ukraine's National Recovery Plan. National Recovery Council, Borodina & Lyashenko (2022).*

(fuel, food, and equipment) and raised funds to implement specific projects, especially for the restoration and development of infrastructure. The ECA also provided technical assistance to increase productivity, guarantees to encourage U.S. private investment, and approved the use of matching funds in local currency (Tarnoff, 2018). In Ukraine, the issue of creating an institution such as the International Agency for the Reconstruction of Ukraine, similar to the Economic Cooperation Administration (ECA), which administered the Marshall Plan to reconstruct Europe, is being discussed. Creating such an institution would be advisable, especially in the context of Ukraine's high corruption risks, lack of experience in implementing such long-term reconstruction plans, and creating a new economic model for the country. Establishing an international institutional structure will also ensure that the participants fulfill their joint commitments to the policy of increasing trade and output.

The Ukraine Recovery Plan for 2023-2032 identifies a list of National Programs to achieve key results and improve the efficiency of the development of various national economic sectors. The developed Recovery Plan for Ukraine includes 15 programs and 850 reconstruction projects in two areas with 10 years and a funding volume of more than $750 billion (Fig. 3). This project-based approach to the plan's implementation is similar to the Marshall Plan.

The Ukraine Recovery Plan is aimed at accelerating sustainable economic growth. As part of Ukraine's reconstruction, it is planned to ensure annual GDP growth of 7%, considering the social and environmental aspects of the country's development. The social aspects include programs such as the development of the education system, effective social policy, restoration and modernization of civilian housing and infrastructure, development of the culture and sports system, and modernization of the healthcare system. The environmental aspects of recovery include the following programs: energy independence, in particular through the signing of the Green Deal, energy-efficient technologies, and the restoration of a clean and protected environment.

Thus, Ukraine's Recovery Plan is considered in the context of a sustainable development strategy, European values of liberalization and deregulation of the business environment, and ensuring fundamental social, cultural, and ecological human rights.



Source: *Compiled by the authors based on the official website of the Recovery of Ukraine.*

Fig. 3: Amount of funding for Ukrainian National Recovery Programs, billions of dollars

The Recovery Plan for Ukraine is based on the following basic principles (Table 2):

- immediate start and gradual development;
- building equitable prosperity;
- integration into the EU;
- rebuilding better than before at the national and regional levels;
- stimulating private investment.

The first stage of the Recovery Plan is rebuilding critical infrastructure, particularly in the energy system. In 2023, the government plans to implement urgent reconstruction of $14,1 billion in priority areas: energy restoration, critical and social infrastructure, humanitarian demining, restoration of damaged housing, and support for the private sector (Ministry of Finance of Ukraine, 2023b).

The European Commission presented its reconstruction program, "Rebuild Ukraine," supported by several national and international actors (UNDP Ukraine, 2023). Among the main trends are the urgent need to rebuild the CI facilities, especially roads in the most affected regions, infrastructure facilities of the industrial and agricultural sectors of the economy, and the transport sector in general, which forms supply chains between other economic sectors.

At the international level, there are discussions on expanding the mechanism of public-private partnerships, particularly with the International Finance Corporation (Ministry of Finance of Ukraine, 2023c), attracting funding for the reconstruction of the country and supporting Ukrainian business (Cabinet of Ministers of Ukraine, 2023). Cooperation with the International Finance Corporation should become one of the tools for raising funds for the country's reconstruction. One of the five priorities for rapid recovery is the private sector's development, estimated at $2,8 billion for 2013. Among the international partners, the International Development Association (IDA) and the International Bank for Reconstruction and Development (IBRD), which will support Ukraine's immediate recovery needs, have extended funding for 2023 to attract additional financial resources for the urgent restoration of critical, social and transport infrastructure, including through the introduction of the Special Program for Ukraine's Recovery and Crisis Response (SPURR) with a total funding of $2 billion (Ministry of Finance of Ukraine). The SPURR program is being implemented by the International Development Association (IDA), under which Ukraine's urgent recovery is possible by attracting additional funding from donors and monetizing donor guarantees.

The World Bank has established the URTF (Ukraine Relief, Recovery, Reconstruction and Reform Trust Fund), which attracts donor funds for framework projects, including, in particular:

Table 2: Key guiding principles and implementation approach

Guiding principles	Description
Start now, ramp up gradually	Need to start recovery initiatives asap to build resilience and agility for the economy to function under continuous security threats and provide the foundation to win the war. Plan for a gradual ramp-up of activities, with a gradual increase of risk appetite, as unlikely to have "clean victory" and "clean peace" or clear milestones to transition from "recovery" to "modernization."
Grow prosperity in equitable way.	Ukrainian people are the ultimate beneficiaries of the Recovery Plan. The objective of the plan is to grow GDP and ensure equitable distribution of wealth and overall well-being.
Integrate into EU	Overarching strategic imperative defining the institutional and regulatory framework Integration of the Ukrainian economy into European value chains, incl. "green" ones, and knowledge/information networks
Build back better (for the future)	Build back for better quality and more advanced and sustainable technologies than damaged/ destroyed assets. Align Ukraine's recovery and modernization with EU principles: Green Transition and Digital Transformation.
Enable private investment & entrepreneurship.	Recovery should enable Ukraine's private investment and boost nationwide entrepreneurship Support SMEs as an essential pillar of the new economic model.

Source: *Ukraine's National Recovery Plan. National Recovery Council.*

RELINC (reconstruction of transport infrastructure) with a budget of $585 million, Re-Power (energy), HEAL (support for the healthcare system) (Ministry of Finance of Ukraine, 2023b). The Repairing of Essential Logistics Infrastructure and Network Connectivity (RELINC) project will help to rebuild key bridges and railways to restore interconnection between villages and cities. In addition, this project will procure modular bridges, equipment, and supplies to repair damaged road-bridge junctions and vital railroad tracks urgently. The assistance will also be provided for purchasing flatbed railroad wagons and additional rolling stock to expand the railroad's containerized cargo transportation capabilities. In addition, RELINC assists in implementing key reforms necessary to improve Ukraine's readiness to implement large-scale and complex recovery programs. The program also includes introducing anti-corruption tools, digitalizing recovery processes, and improving donor relations. The United Nations Office for Project Services (UNOPS) will manage and administer this project. The Office provides services in procurement, construction, and project implementation. In particular, it specializes in post-war recovery projects or infrastructure restoration after natural disasters (Ministry of Recovery, 2023). The URTF involves grant funding. The first URTF meetings were held with representatives of the governments of Austria, Canada, Iceland, Japan, Lithuania, the Netherlands, Norway, Sweden and Switzerland, the United States, Germany, and Indonesia. By the end of 2023, the URTF may accumulate $2 billion. As of today, the fund has about $1,1 billion of potential donor contributions.

CONCLUSION

The specifics of post-war recovery practices in European countries prove the importance of building institutional norms, European integration (political, economic, ideological, and value-based), and mechanisms for financing development projects to create a new innovative model of economic growth and social welfare. In addition, implementing the Marshall Plan and the Dodge Line proves the importance of creating capable institutions and their political cooperation with the affected countries to promote industrial growth and transition to post-industrial societies dominated by a significant share of quaternary and quinary economic sectors.

An analysis of Ukraine's Recovery Plan in comparison with the recovery plans of European countries and Japan indicates the need for institutional support from international partners due to high corruption risks, the resource-based economy, and the need to stimulate economic development through investment, innovation, and the construction of effective education, social security, and the healthcare system. The world's most developed countries and international organizations should help resolve the marketing crisis in Ukraine due to corruption and insufficiently strong state institutions. Although the Recovery Plan of Ukraine contains institutional frameworks for creating a new type of economic structure that considers social and environmental aspects, corruption risks are still too high. Therefore, institutional and political support from partners and mechanisms for financing economic development should help address the problem of institutional failure in Ukraine.

REFERENCES

Addison, T., Billon, P.L. and Murshed, S.M. 2001. Finance in conflict and reconstruction. *J. of Int. Dev.*, **13**(7): 951-964.

Akimova, L., Akimov, O., Maksymenko, T., Hbur, Z. and Orlova, V. 2020. Adaptive management of entrepreneurship model as a component of enterprise resource planning. *Academy of Entrepreneurship J.*, **26**(3): 1-8.

Albrecht, P. 2017. Separation and positive accommodation: Police reform in Sierra Leone. *Third World Thematics: A TWQ J.*, **2**(4): 557-575.

Awotona, A. 1992. Approaches to post-war reconstruction and development: Lessons from Africa. *Habitat Int.*, **16**(4): 79-98.

Bell, D. 2020. Post-industrial society. In *The information society reader* (pp. 86-102). Routledge.

Borodina, O.A. and Lyashenko, V.I. 2022. Post-war Economic Recovery: World Experience and Attempt to Adapt it for Ukraine. *Visnyk ekonomichnoi nauky Ukrainy*, **1**(42): 121-134.

Brenner, J. 2023. Some ideas for a post-war recovery of Ukrainian cities. *Urban Research & Practice*, pp. 1-7.

Chassé, D.S. 2014. Towards a global history of the Marshall plan. European post-war reconstruction and the rise of development economic expertise. *Industrial Policy in Europe after 1945: Wealth, Power and Economic Development in the Cold War*, pp. 187-212.

Curtis, D. 2013. The international peace-building paradox: Power sharing and post-conflict governance in Burundi. *African Affairs*, **112**(446): 72-91.

Eichengreen, B. 2010. Lessons from the Marshall Plan. World Development Report 2011. Background Papers. World Bank, Washington, DC. http://hdl.handle.net/10986/27506

Eichengreen, B. and Uzan, M. 1992. The Marshall Plan: economic effects and implications for Eastern Europe and the former USSR. *Econ. Pol.*, **7**(14): 13-75.

European Commission, 2023. Joint press release: Ukraine Recovery and Reconstruction Needs Estimated $349 Billion (€349 Billion). https://ec.europa.eu/commission/presscorner/detail/en/IP_22_5428

Galtung, J. 1976. Three Approaches to Peace: Peacekeeping, Peacemaking, and Peacebuilding in Peace. *War and Defense: Essays in Peace Research*, **I1**.

Geda, A. 2011. Capacity building in fragile and post-conflict states in Africa. *World Journal of Entrepreneurship, Management and Sustainable Development*, **7**(2/3/4): 217-266.

Hitchcock, W.I. 2010. *The Marshall Plan and the creation of the West*. The Cambridge History of the Cold War, 154 – 174. Cambridge University Press. https://doi.org/10.1017/CHOL9780521837194.009 [Opens in a new window]

Ikpe, E. 2021. Developmental post-conflict reconstruction in post-independence Nigeria: Lessons from Asian developmental states. *J. of Peace-building & Dev.*, **16**(3): 318-335.

Keynes, J.M. 1923. A Tract on Monetary Reform: Mac Millan.

Kotenko, S., Nitsenko, V., Hanzhurenko, I. and Havrysh, V. 2020. The mathematical modeling stages of combining the carriage of goods for indefinite, fuzzy and stochastic parameters. *Int. J. of Integrated Engineering*, **12**(7): 173-180.

Kryshtanovych, M., Akimova, L., Akimov, O., Kubiniy, N. and Marhitich, V. 2021. Modeling the process of forming the safety potential of engineering enterprises. *Int. J. of Safety and Security Engineering*, **11**(3): 223-230.

Mann, L. and Berry, M. 2016. Understanding the political motivations that shape Rwanda's emergent developmental state. *New Pol. Econ.*, **21**(1): 119-144.

McCandless, E. 2020. Resilient social contracts and peace: Towards a needed reconceptualization. *J. of Intervention and Statebuilding*, **14**(1): 1-21.

Moe, L.W. and Geis, A. 2020. Hybridity and friction in organizational politics: New perspectives on the African security regime complex. *J. of Intervention and State-building*, **14**(2): 148-170.

Murphy, C. 2005. *Global institutions, marginalization, and development*. Psychology Press.

OECD, 2023. Value added and its components by activity, ISIC rev4. https://stats.oecd.org/Index.aspx?DataSetCode=SNA_TABLE6A

Omeje, K. 2018. Introduction: Peace-building in Contemporary Africa. In *Peace-building in Contemporary Africa* (pp. 3-19). Routledge.

Osaghae, E.E. 2007. Fragile states. *Development in Practice*, **17**(4-5): 691-699.

Paris, R. 2010. Saving liberal peace-building. *Rev. of Int. Stud.*, **36**(2): 337-365.

Pugh, M. 1995. Peace-building as developmentalism: Concepts from disaster research. *Contemporary Security Policy*, **16**(3): 320-346.

Pugh, M. 2005. The political economy of peace-building: a critical theory perspective. *Int. J. of Peace Stud.*, pp. 23-42.

Smith, C.Q., Waldorf, L., Venugopal, R. and McCarthy, G. 2020. Illiberal peace-building in Asia: A comparative overview. *Conflict, Security & Dev.*, **20**(1): 1-14.

Tarnoff, C. 2018. *The Marshall plan: Design, accomplishments, and significance* (Vol. 18). Congressional Research Service. https://sgp.fas.org/crs/row/R45079.pdf

Transparency International, 2023. Anti-Corruption Pendulum in Ukraine: a Step Forward after a Step Back. https://cpi.ti-ukraine.org/en/

Ukraine's National Recovery Plan. National Recovery Council. https://uploads-ssl.webflow.com/621f88db25fbf24758792dd8/62c166751fcf41105380a733_NRC%20Ukraine%27s%20Recovery %20Plan%20blueprint_ENG.pdf

UNDP Ukraine, 2023. Tapping into local intelligence for post-war reconstruction of Ukrainian cities. https://www.undp.org/ukraine/tapping-local-intelligence-post-war-reconstruction-ukrainian-cities

World Bank, 2023. *Ukraine Rapid Damage and Needs Assessment (English).* Washington, D.C.: World Bank Group. http://documents.worldbank.org/curated/en/099445209072239810/P17884304837910630b9c6040ac12428d5c

Zenawi, M. 2012. States and markets: Neoliberal limitations and the case for a developmental state. *Good growth and governance in Africa: Rethinking development strategies*, 140-174.

State Statistics Service of Ukraine, 2023a. Gross domestic product (1990-2021) (2016=100) given taking into account changes in the balance of payments of the National Bank of Ukraine. https://www.ukrstat.gov.ua/operativ/operativ2021/vvp/kvartal_new/vvp_rik/vvp_rik90-20.xlsx

State Statistics Service of Ukraine, 2023b. Table of input-output of Ukraine for 2020 (at basic prices). https://www.ukrstat.gov.ua/operativ/operativ2021/vvp/kvartal_new/tvv_oc/arh_tvv_oc_u.html

Cabinet of Ministers of Ukraine, 2023. In synergy with the World Bank, we will intensify joint programs to rebuild our country. Government Portal. Official website. https://www.kmu.gov.ua/news/zi-svitovym-bankom-aktyvizuiemo-spilni-prohramy-dlia-vidbudovy-nashoi-krainy-premier-ministr

Kyiv School of Economics, 2023a. The total amount of damage caused to Ukraine's infrastructure due to the war. https://kse.ua/ua/about-the-school/news/zagalna-suma-pryamih-zbitkiv-zavdana-infrastrukturi-ukrayini-cherez-viynu-zrosla-do-mayzhe-138-mlrd/

Ministry for Restoration, 2023. The International Bank for Reconstruction and Development will provide $50 million to restore Ukrainian logistics. https://mtu.gov.ua/news/34031.html

Ministry of Finance of Ukraine, 2023a. Sergii Marchenko met with WB Vice President of Development Finance (IDA). https://mof.gov.ua/uk/news/sergii_marchenko_met_with_wb_vice_president_of_development_finance_ida-3938

Ministry of Finance of Ukraine, 2023b. Sergii Marchenko on cooperation with the IMF and priorities for Ukraine's recovery in 2023 (for CNN). (In Ukrainian). https://mof.gov.ua/uk/news/sergii_marchenko_pro_spivpratsiu_z_mvf_ta_prioriteti_vidnovlennia_ukraini_u_2023_rotsi_dlia_cnn-3959

Ministry of Finance of Ukraine, 2023c. Sergii Marchenko and the Managing Director of the International Finance Corporation discussed the expansion of public-private partnership. https://mof.gov.ua/uk/news/sergii_marchenko_and_the_managing_director_of_the_international_finance_corporation_discussed_the_expansion_of_public-private_partnership-3935

Recovery of Ukraine - official website. https://recovery.gov.ua