

The reconstruction of Ukraine: lessons from the post-war recovery in Bosnia and Herzegovina and Georgia

Policy Brief – Executive summary



Photo via Canva

Russia's unprovoked act of aggression in Ukraine has killed thousands and forced millions to emigrate, destroying infrastructure, the economy and the natural environment. Reconstruction and recovery needs are estimated at USD 349 billion (as of 1 June 2022) by the Ukraine Rapid Damage and Needs Assessment prepared jointly by the World Bank, the government of Ukraine and the European Commission. This figure will continue to rise until the end of the war.

The post-war reconstructions in the Balkans and the Caucasus are different in size and dimension, yet they share challenges with Ukraine's. It is clear that reconstruction is a complex, holistic and multidimensional process where success depends on combining physical reconstruction with elements of rule of law, good governance, strengthening of democratic institutions and restoration of society, environmental provisions and a modernised economy.

It is essential to ensure that Ukraine's Recovery Plan is aligned with the Ukrainian people's vision for the future and that its reform agenda serves Ukraine's membership in the European Union, ensuring rule of law practices, and environmental and social components within economic development goals.

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The development of a modern green economy, sustainable agriculture and tourism, reconstruction and preservation of cultural heritage, ensuring local economic growth and supporting decentralisation, and democratic and participatory governance models should be key for reconstruction in Ukraine.

The main conclusions of [the policy brief](#) are based on Bankwatch's member group and partners experiences, as well as a literature review and discussion about the best practices and lessons learned from these previous wars for the forthcoming reconstruction in Ukraine. For this purpose, Bankwatch organised a webinar on 27 February 2023, for which over 150 participants registered, including Bankwatch's member groups, partners, other civil society groups and interested individuals from Ukraine, Bosnia and Herzegovina, Georgia and beyond.

Lessons from Bosnia and Herzegovina's post-war reconstruction (1995-2004)

Lesson 1: Local ownership is key

Decisions on reconstruction clearly suffered from the lack of holistic vision for development, the absence of local voices and effective consultations with the actual beneficiaries of the programme. The post-war reconstruction of Sarajevo is a vivid example: the hesitation of international institutions to support Sarajevo experts, institutions, and citizens to take ownership of the process resulted in a fragmentation of the city and its identity. By ignoring the importance of integrating the community and its cultural memory, the international organisations driving the process also ignored the needs of the city's residents.

Lesson 2: Transparent and well-organised donor coordination is crucial to fight corruption

The lack of coordination between donor funds and local programmes created redundancy and corruption, which was exploited by political elites. Direct assistance from international financial institutions and donors was the most vulnerable as the international community depended heavily on local politicians and administrative structures. Much of the general budgetary support was not controlled or audited, making it difficult to assess what happened to this money.

Lesson 3: Not only economic, but also social reconstruction

While poverty in the country was widespread and rising following the war, issues related to social welfare, poverty reduction, employment and labour rights were marginalised in the agendas of international financial institutions involved in reconstruction.

Lesson 4: Gender aspects must be considered

The poor consideration of social impacts in reconstruction was particularly pertinent for women, for whom the loss of employment opportunities following the war was met with different employment programmes financed by international finance institutions. However, the employment projects for women, such as handicraft workshops, often contributed to the reestablishment of traditional gender roles.

Lessons from Georgia's post-war reconstruction (2008-2012)

Lesson 5: Reconstruction plans must be coherent and developed in a participatory manner

At the heart of many difficulties was the failure of international financial institutions, donors and the Georgian government to develop a coherent plan for economic development in a participatory manner that would benefit society. As a result, the post-war reconstruction mainly benefited elites, various agencies and lobby groups, while only a few groups with in-house expertise were involved in reconstruction planning and monitoring.

For example, energy security needs were addressed through the Georgian government's dreams of constructing new large hydropower plants that had not only been drastically opposed by local communities for decades but also included high fiscal risks for the Georgian budget. Other issues such as the need for proper planning of the energy sector, energy efficiency and saving, and innovation were not addressed.

Lesson 6: Projects for internally displaced people require proper donor coordination and participation of the displaced people

A massive resettlement programme was developed and implemented by the Georgian government within a narrow timeframe, without proper donor coordination and participation of the beneficiaries. As a result, the houses were built near a major highway and close to occupied territories. Experts also raised concerns about the future costs for the energy inefficient houses, as state subsidies were only provided until 2016.

Lesson 7: The importance of proper social and environmental impacts assessment

Some energy, road and rail infrastructure projects proposed for donor funding have had very controversial human and environmental impacts. For example, the project aimed to construct a new section of railway bypassing central Tbilisi in order to avoid the transit of hazardous freight through the city. Instead, the new railway line was built in another densely populated district city and runs close to the Tbilisi reservoir, one of the capital's main sources of drinking water – risking heavy environmental pollution and deterioration of the water quality in case of oil spillage. Moreover, the project has failed to create local jobs.

Recommendations

Although the war in Ukraine is different from the wars in Bosnia and Herzegovina and Georgia, many important lessons can be derived from these previous post-war reconstruction efforts. Ukraine's recovery must be based on the major principles of the Paris Declaration on Aid Effectiveness and Accra Agenda. Recommendations for key stakeholders include the following:

- The vision for Ukraine's recovery must be developed through wide, inclusive discussions incorporating all interested socioeconomic partners at local, regional or national levels.
- To align Ukraine's future development with the European Green Deal principles, a strong environmental and social framework should be developed to ensure economic development through resource efficiency and sustainability. Issues like energy efficiency and carbon intensity should be the mainstream of the modern post-war reconstruction efforts, together with nature protection and restoration.

- The donor community should help the Ukrainian government ensure inclusive partnerships for future development, as well as provide necessary technical means and expertise to support the involvement of non-state actors, local governments, civil society, and ordinary citizens in designing Ukraine's sustainable future.
- Ukraine's reconstruction must ensure the protection of the social and economic rights of Ukrainians. Post-war reforms should redress rather than reinforce socioeconomic injustice for all groups of people. Gender analysis should be conducted during the implementation of projects and programmes to answer special needs.
- Ukraine's reconstruction should be oriented towards long-term sustainability. Both donors and local actors should refrain from ineffective, costly and quick-fix solutions. Local actors should understand and employ practices and tools of proper planning, decision-making and implementation to achieve long-term sustainability.
- Ukraine's reconstruction must start as soon as possible, instead of waiting for a full ceasefire. Ongoing works to restore damaged critical infrastructure should continue. For the western parts of Ukraine where there is no warfare, the planning for future modernisation should start now.
- Donors, including the EU, should not wait for the Ukraine Recovery Plan to be ready. They should ensure technical assistance and proper alignment for the preparation of this plan: set the environmental, climate, social and economic goals together with civil society and support the transfer of know-how and innovations.
- The pollution and impacts on the environment caused by the war must be considered during the development of reconstruction plans. Moreover, Ukraine needs to have strong environmental legislation in place and encourage public participation to prevent and minimise negative impacts of the reconstruction projects on the environment.
- Donor and inter-agency coordination is important to ensure coherence, avoid duplication of projects, prevent waste of resources, and respond to the needs of society. Proper coordination from the early stages of programming and later in planning is crucial for the successful implementation of projects.
- Access to information lays the foundation for accountability and transparency in post-war reconstruction and is an important tool in the fight against corruption. In order to avoid duplication and mismanagement of funds, and to ensure complementarity of activities and continuity of work, an adequate system for tracking all types of assistance should be developed.
- To ensure aid transparency and efficient use of funds, an open monitoring and evaluation process involving parliament, political opposition, civil society groups and think tanks, should be an essential part of the reconstruction process.

Read the full briefing [here](#).