



Building Back Better: A Comprehensive Look at Post-War Reconstruction of Ukraine

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As Ukraine endures the relentless onslaught of war, the nation's resilience shines through in its determined efforts toward reconstruction. This article delves into the various models of Ukraine's reconstruction, highlighting the critical need and the multifaceted approach adopted in response to the crisis.

According to the [Kyiv School of Economics](#), as of September 1, 2023, the war had wrought a staggering \$151.2 billion in direct damage to the country's infrastructure, with the housing sector facing the most severe losses. Over 167,200 residential objects were demolished or damaged since the onset of fall 2023, signifying a profound impact on Ukraine's economic system and social fabric.

This devastation has prompted the Ukrainian authorities to seek global support, focusing on restoring critical and social infrastructure. Assistance from Western countries, especially European nations and the United States, has been instrumental in bolstering Ukraine's defense capabilities and maintaining economic stability. However, the reconstruction efforts extend beyond mere infrastructure repair. They encompass a comprehensive strategy to support the social welfare system, which has suffered significantly in the war.

Amid these challenges, Ukrainian activists and local communities are playing a pivotal role. They are not only advocating for Western assistance for Ukraine's needs but are also actively involved in rebuilding efforts. Volunteering has surged, with numerous initiatives and charitable foundations emerging to support the urbanization and reconstruction of essential community services such as kindergartens, schools, and shelters.

Furthermore, Ukraine's post-war reconstruction demands particular attention from the Western world as it grapples with the human cost of the conflict. Since the full-scale Russian invasion on February 24, 2022, more than [2.4 million Ukrainians](#) have been displaced abroad and did not return to Ukraine. One of the primary goals of Ukraine's reconstruction models is to facilitate the return of these refugees. Through these concerted efforts, Ukraine not only aims to rebuild its physical infrastructure but also to restore the fabric of its society.



Zelenskyi's Idea for Reconstruction

One of the key projects of Ukraine's post-war reconstruction was the model of patronage proposed by President Volodymyr Zelenskyi. Its main purpose was to collectively bring nations from around the world to lend a hand to Ukraine. Zelenskyi's new concept aimed to have each partner country or private entity assist in the recovery of a specific city, region, or industry.

The president's patronage idea reaches not only the financing of infrastructure and housing reconstruction projects. It was expected that foreigners would share their expertise and experience in this matter. The partner countries would choose a convenient mode of cooperation by themselves.

"This project is set to be the largest of our time—economic, technological, national, and, most importantly, shaping worldviews. Every city, community, and industry that will be rebuilt will have a historical record of those who helped," – [explained](#) Zelenskyi.

As a result of the president's call for Ukraine's restoration in 2022, about three dozen countries expressed their desire to join and replied to Zelensky's offer to take 'leadership' or 'patronage' over specific oblasts (regions) of Ukraine. Denmark indicated its intention to choose the southern region of Mykolaiv Oblast and its regional center, Latvia and France opted to focus on the central region of Cherkasy Oblast, Estonia on the northern Zhytomyr Oblast, and Great Britain to take over the heart of Ukraine, Kyiv Oblast. Most countries intend to join after the conflict to help in reconstruction. However, as of today, several countries have already embarked on the process and are successfully mobilizing their resources.



Answering the Call: Denmark's Response to Infrastructure Devastation

Denmark ranks among the leaders in terms of support for the Mykolaiv Oblast. The Russian invasion caused [widespread devastation](#) in the region. Approximately 10,000 civilians and 250 communal institutions were destroyed or damaged. Kindergartens, educational institutions, hospitals, and other facilities were all affected, but the destruction of the centralized water supply was the most critical problem. It limited the population's access to fresh water resources and placed people's lives at risk during wintertime (Ukraine uses a centralized heating system to keep citizens' homes at higher temperatures). Due to its critical nature, this problem became the top priority of Denmark.

The Scandinavian country expressed its profound solidarity for Mykolaiv and the region, which was subjected to destructive shelling and partial occupation. According to Denmark's Ambassador in Ukraine, Ole Egberg Mikkelsen, the Kingdom strongly supports Ukraine because it feels affinity and resemblance.

"... We share the same fundamental values: democracy, freedom, will, and the rule of law. This is what unites us. ... Everyone understood from the first day that not only Ukraine was under attack, but also all of Europe. ... Danes see footage from Bucha, Irpin, Borodianka, Kharkiv, and from all corners of Ukraine and see cities more or less similar to ours."



The destroyed building of the Mykolaiv Regional Council. March 29, 2022. Photo: Suspinne Mykolaiv

In 2023, Denmark established the [Ukraine Support Fund](#), which invests in the assistance of military, civilian, and business initiatives. The Kingdom supplies water, heat, and energy, purifies water, and actively engages in the restoration of buildings, drainage systems, and other critical facilities. Furthermore, due to infrastructure damage, Denmark has clearly prioritized supplying heat for people living in high-rise and private buildings during the winter.

"We received 700 generators, 300 pumps for "Mykolaiv Vodokanal" (municipal utility for water supply) and "Mykolaivvoblteploenergo" heating and energy utility company, more than 50 kilometers of pipes, household appliances for compact living quarters of internally displaced persons, water purification equipment," – [says](#) Mykola Marinov, deputy head of Mykolaiv Regional Military Administration.

"Denmark is rebuilding Ukraine right now, without waiting for the end of the war," – stated the Embassy of the Kingdom of Denmark in Ukraine. That stance on immediate support of recovery efforts in the region made Denmark a role model of Zelenskyi's patronage system.

Estonia's Efforts and Coherence Initiative

The Estonian government took a similar approach. The country has also made a significant contribution to Ukraine's recovery. It chose Zhytomyr Oblast in the north as its region of focus. There, the country prioritized rebuilding infrastructural objects damaged or destroyed by Russian attack.

Arsenii Pushkarenko, leader of the Servant of the People party's Zhytomyr regional organization, stated that the reconstruction objectives have already been agreed upon, including the restoration of a bridge, the rebuilding of a damaged school, and the development of an employment center.

Estonia also guarantees an additional 10 million euros under the European Investment Bank's ["EU for Ukraine Fund."](#) Mart Viirlaev, Estonia's Minister of Finance, stated that the money granted to Ukraine is an investment in developing democracy and the European economy as a whole. He highlighted that Ukraine

cannot cope alone with the effects of Russia's military activities and needs assistance. The Minister called for a concerted effort to help the Ukrainian people resist invasion and restore their nation.



Estonian Minister of Foreign Affairs, Urmas Reinsalu, during his first foreign visit as a minister in Zhytomyr Oblast, Ukraine, in August 2022. Source: Ministry of Foreign Affairs of Estonia.

The EU for Ukraine Fund is part of a larger [EU for Ukraine Initiative](#), called to become a new scheme to finance the recovery and reconstruction of Ukraine. It is funded by ten European nations, including Belgium, Cyprus, Denmark, Estonia, France, Latvia, Lithuania, Luxembourg, the Netherlands, and Spain. Its primary goal is to fund major recovery and reconstruction campaigns in Ukraine, both public and private. In addition, the fund promotes Ukrainian entrepreneurs' access to funding. So far, it has received approximately [400 million euros](#) in required payments from most European Union member states. On March 18, 2024, the Investors Committee approved [new \\$90 million projects](#) to rebuild damaged residential buildings in Ukraine and improve the key export routes for agricultural exports to EU nations.

This initiative is a good example of how aid from different donor countries can be synchronized and institutionalized under a single umbrella of common goals and principles. Such a step can be called an evolutionary one, as joining forces will facilitate a more gradual and coordinated approach to reconstruction. However, it may also blur the element of national input and the connection of a particular state to the region, city, or institution being assisted.

A Step to More Coordination: The Role of EU, G7, and Financial Institutions

Ukraine's largest defense and support donors have also joined the country's recovery process. In order to [ensure](#) enhanced coordination amongst all key players providing short-term and long-term financial support and to avoid duplication, the EU, G7 countries, and major financial institutions (such as the EIB, the EBRD, the IMF, and the World Bank) [launched](#) the Multi-agency Donor Coordination Platform. Beyond immediate needs, the platform aims to direct resources in a way that supports a sustainable, resilient, inclusive, and green economic recovery. As stated, this recovery should enhance strong democratic institutions, the rule of law, and anti-corruption measures. The mechanism became a continuation of the

efforts to bridge the gap between needs and resources made at the Conferences in Lugano, Berlin, and Paris. It also [works closely](#) with Ukrainian authorities to define, prioritize, and sequence strategic needs within the recovery process. So far, as a result of united strides, partners [identified](#) priority recovery and reconstruction needs in the areas of energy, transport, housing and utilities, social infrastructure, industry, and cross-sectoral priorities (demining, telecommunications, etc.)

Some partners, like the EU, have already begun mobilizing resources and stakeholders to invest in Ukraine's recovery by launching the [Ukraine Investment Framework](#). This Framework is a key component of the €50 billion Ukraine Facility, aimed at fostering public and private investments in Ukraine's recovery and reconstruction. The Framework is endowed with €9.3 billion, consisting of €7.8 billion in loan guarantees and €1.51 billion in blended finance, and aims to attract up to €40 billion in investments over the coming years. The first investment programs are expected to be signed at the Ukraine Recovery Conference on 11-12 June in Berlin.



Source from Flickr Foreign, Commonwealth & Development Office

Germany's Alternative: Approach to Restoration Beyond Region-Specific Initiatives

During a meeting in Kyiv in the fall of 2022, Ukrainian President Volodymyr Zelenskyi and German President Frank-Walter Steinmeier agreed to German [symbolic patronage](#) over the development and rehabilitation of the Chernihiv Oblast. As believed, the move would enable Germany to establish new civil and municipal partnerships with Ukraine, fostering economic engagement and facilitating strategic investments in the region.

A year after President Zelenskyi announced a new model for Ukraine's restoration, Jochen Flasbart, the State Secretary of the German Ministry of Economy, stated that the German government believes that focusing exclusively on specific regions, economic sectors, or industries is [ineffective](#). Thus, Berlin abandoned the concept that had been promoted by the Ukrainian government earlier. Instead, Flasbart emphasized the need for flexible responses to urgent humanitarian requests. In October 2023, Jochen

Flasbart informed that the German government would transfer [200 million euros](#) to Ukraine's education [sector], health care, water supply, and city reconstruction.

The country also supports reconstruction initiatives through the above-mentioned Multi-agency Donor Coordination Platform and a national "[Reconstruction Ukraine Platform](#)." The latter's main focus is on inter-municipal cooperation and a network of non-state actors with Ukrainian partners to support reconstruction.

As [claimed](#), "it offers a first point of contact for all those who want to get involved in the reconstruction. Whether mayor, solar technician, doctor, entrepreneur, social worker, or representative of the Ukrainian diaspora, the platform is intended to be a place of networking, exchange, and information." In this way, the German government consolidates the high level of support and solidarity in German society and engages the wider public in the process.

German Development Minister Svenja Schulze emphasized that the reconstruction of Ukraine has commenced, albeit amidst the reality of an ongoing conflict with no foreseeable end. She pointed out that this monumental endeavor cannot be solely borne by governments; it necessitates the involvement of entire societies. Schulze noted a significant eagerness within Germany to contribute to Ukraine's reconstruction efforts. In response, Germany introduced the 'Platform for Reconstruction Ukraine,' aimed at facilitating collaboration between engaged citizens, companies, and municipalities in Germany and Ukraine.



German Foreign Minister Annalena Baerbock visits the former headquarters of the regional administration of Mykolaiv Oblast during her two-day visit to Ukraine. On March 29, 2022, the building was hit by Russian missiles and almost completely destroyed. Kay Nietfeld/dpa

In general, according to [The Ukraine Support Tracker](#) of The Kiel Institute for the World Economy, the country has allocated approximately 3 billion euros for civilian needs since the start of the full-scale invasion.

Korea's Investment in Reconstruction Initiatives

Assistance in the reconstruction of Ukraine is an opportunity to establish strong ties between the countries but also enable the country's business to gain a foothold in a new geographic market. While visiting Ukraine in July 2023, President of the Republic of Korea Yun Seok-yeol announced the launch of the "Peace and Solidarity Initiative for Ukraine," which, along with financial, non-lethal, and humanitarian assistance, included participation in post-war reconstruction. As part of the initiative, Ukraine will receive preferential loans for reconstruction from Korea amounting to \$2.1 billion over the next five years. The delegation consisting of 18 private enterprises [arrived in Ukraine](#) in September following the President's visit to establish partnerships and agree on joint projects.

As a result, infrastructure development projects, water purification, airport modernization, and energy system upgrades became a part of the many initiatives underway. The success of these projects will be critical in boosting Ukraine's economic and social development. K-Water, a prominent participant, became the first Korean state corporation to join Ukraine's rebuilding efforts. One of its projects will include the restoration of the Kozarovychi dam, which was damaged during the early stages of the full-scale invasion. Plans also include planning the masterplan of Uman city, cooperation on water management with the Lviv region, and reconstruction of the Kakhovka Dam, destroyed by the Russians in 2023.

Korea Airports Corporation (KAC) and Hyundai E&C have also joined the support efforts, signing a pact with Boryspil Airport and collaborating on recovery and modernization activities. Hyundai E&C also intends to contribute to Ukraine's energy infrastructure by constructing a modular reactor in collaboration with Holtec International.



Prime Minister of Ukraine Denys Shmyhal during a meeting with CEO of POSCO International, Jeong Tak, on November 14, 2023, in Kyiv. Source: Government Portal

Investment Dilemmas

However, the continuing military interactions limit the implementation of restoration plans. Physical security has been a critical component in attracting investments from partner countries. For example, the Korean partners believe that a lack of understanding of the situation in Ukraine makes it difficult to assess prospective investment prospects. Most overseas investors are unaware of the true condition of circumstances due to informational ambiguity and propaganda's influence. As a result, everyone has a distinct perspective on the war's outcomes.

Furthermore, many Korean firms lack a comprehensive understanding of the best investment methods needed to enter the Ukrainian rebuilding market. In this situation, the role of local authorities is very important—their ability to formulate an investment proposal and their willingness to facilitate its implementation are vital for further cooperation. Despite these challenges, the Republic of Korea remains optimistic about Ukraine's international growth prospects.

A Pathway to Renewal and International Collaboration

To provide a concise overview, it's essential to recognize the significance of Ukraine's reconstruction, a process that is crucial not only post-war but also in the present context. The estimated cost for reconstruction and recovery efforts stands at [\\$486 billion](#). This figure encompasses the refurbishment of energy and housing sectors, the revitalization of essential and social infrastructure, the provision of basic services for vulnerable groups, and demining activities. This substantial financial requirement underscores Ukraine's need for international partners.

The rationale for Western countries to support Ukraine can be examined from various perspectives. Ukraine is expected to rapidly rebuild and enhance its sectors post-conflict, potentially opening doors to numerous international collaborations and partnerships. This redevelopment is not only about physical reconstruction but also about revitalizing the societal fabric. Many citizens have been displaced, and the country's progress hinges on the restoration of devastated areas, which will facilitate the return of people and children to their homes.

The scope of reconstruction extends beyond merely repairing critical infrastructure and addressing residential housing challenges. It includes collaborating on modernization projects across the nation's regions and envisioning a post-conflict Ukraine as a beacon of freedom and progress.

Conclusion

The devastation wrought by the conflict, with staggering damage to infrastructure and millions displaced, has prompted Ukraine to seek global assistance in rebuilding essential social and economic structures. Western countries, particularly European nations, and the United States have played a crucial role in bolstering Ukraine's defense capabilities and providing economic stability.

However, the reconstruction efforts go beyond mere infrastructure repair, encompassing a comprehensive strategy to support the social welfare system and societal fabric that has been deeply impacted by the conflict. Ukrainian activists and local communities have risen to the challenge and are actively involved in rebuilding efforts and fostering resilience.

Moreover, international collaborations such as the Multi-agency Donor Coordination Platform and the EU for Ukraine Fund have been instrumental in ensuring enhanced coordination and directing resources towards a sustainable, resilient, and inclusive economic recovery. Germany's alternative approach to patronage, focusing on flexible responses to urgent humanitarian needs, exemplifies the adaptability required in such complex situations.

Similarly, initiatives like South Korea's Peace and Solidarity Initiative for Ukraine demonstrate the potential for international partnerships to contribute to developing business ties and projects. Despite challenges such as ongoing war and investment dilemmas, the pathway to renewal and international collaboration remains open, offering hope for a brighter future for Ukraine.

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