

UKRAINE'S RECONSTRUCTION ARCHITECTURE

Panel 1. Reconstruction governance: from architecture to results

Key question

How can established institutions, rules and digital tools be transformed into a coherent system that delivers results locally?



The scale of the challenge requires a capable system

The financial scale of reconstruction makes the quality of governance a critical condition for results.

EUR 165 bn

direct damage to infrastructure

EUR 565 bn

economic losses

EUR 498 bn

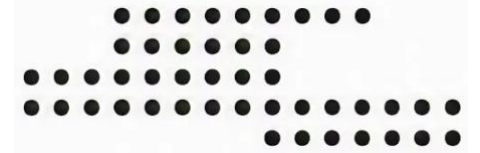
reconstruction needs over 10 years

EUR 13 bn

priority needs for 2026



Main point: the quality of governance, prioritisation and implementation is no less important than the amount of funding mobilised.



Priority needs for 2026 (as of the beginning of the year)

confirmed —
approx. EUR 4.9 bn

gap —
approx. EUR 8.1 bn



more than 60% of
needs remain
unfunded

14,8

Water supply and
sanitation

6,3

Municipal services

81,6

Transport

81,6

Housing

76,8

Energy and
extractives

9,7

Culture and tourism

28,4

Education and research

28,4

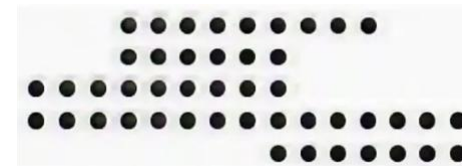
Health

35,6

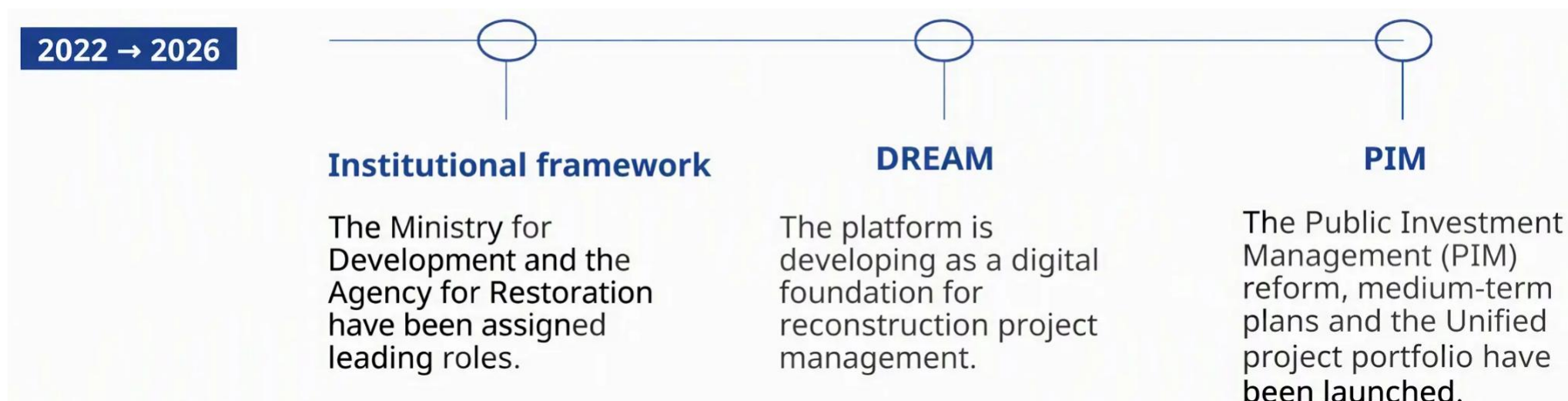
Social protection

Source: RDNA5

Achievements in building the system since 2022



From ad hoc mechanisms — to a formalised institutional framework



Transparency

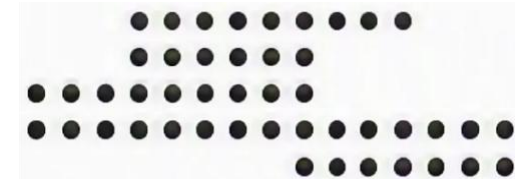
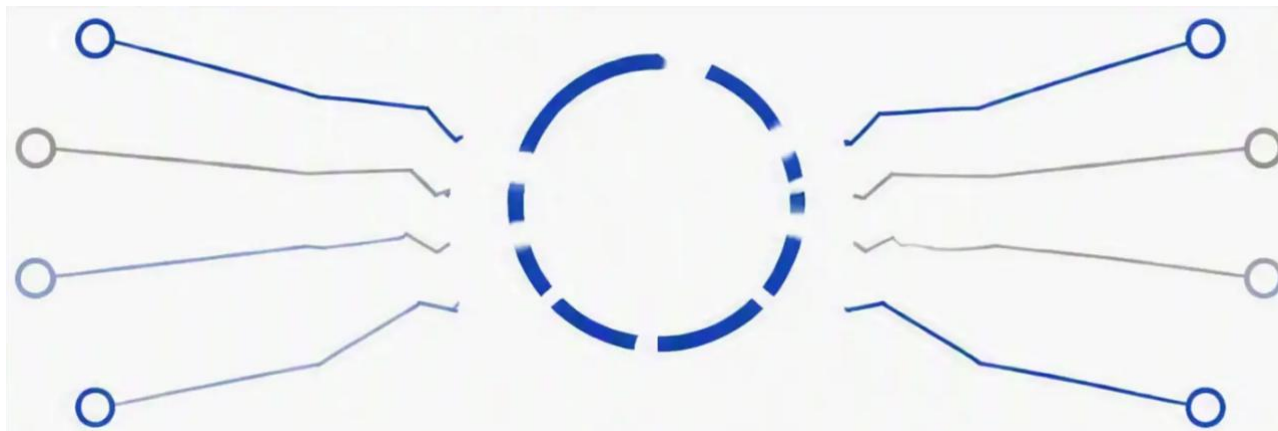
Prozorro, Spending.gov.ua, open data and civic monitoring create the foundation for accountability

Key result: reconstruction has gained the institutions, rules and digital tools on which a coherent system of implementation can already be built.

Fragmented reconstruction architecture

Best practices and digital tools do not guarantee results if the system does not operate as a single cycle.

- Blurred mandates between key institutions
- Overburdened bodies with broad portfolios of functions
- Uneven local capacity to prepare and implement projects
- Dispersed or incomplete data across systems



Key risk

The system may look well-structured on paper, but deliver limited results on the ground.

Architecture participants and shared responsibility

The issue is not the number of institutions, but the clarity of functions, links and accountability



Political leadership

Cabinet of Ministers, ministries, strategic decisions



Implementation

Agency for Restoration, regions, local hromadas



Oversight

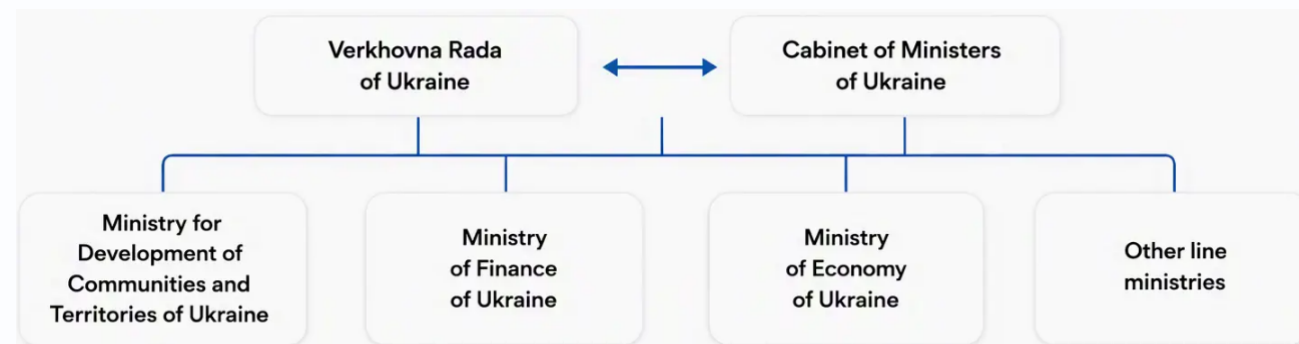
audit, anti-corruption bodies, open data



Partnership

donors and IFIs, business, civil society

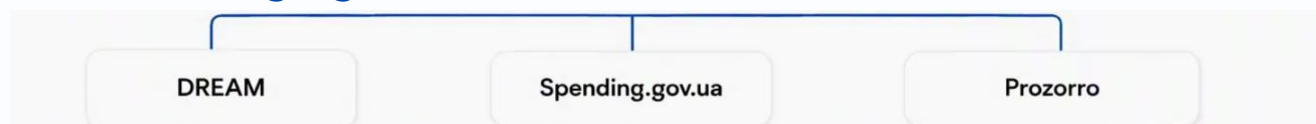
1 Policy formulation



2 Policy implementation



3 Cross-cutting digital infrastructure



4 Other participants



The reconstruction quality chain and decision-making

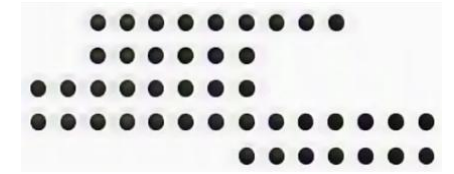


From needs assessment to accountability: every link influences the final quality of the outcome



The weakness of any link reduces the quality of the final outcome — even if previous stages were performed well.

Internal coordination: from mandates to a single investment cycle



Clarifying the functions of the Ministry for Development, the Ministry of Economy, line ministries and the Agency for Restoration will connect planning, financing, implementation and monitoring in a single cycle.

What hinders coordination

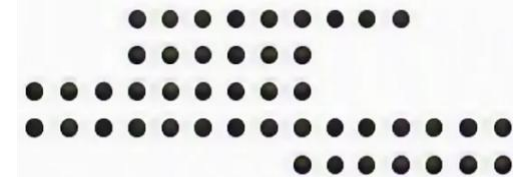
- unclear mandates of different ministries raise questions about accountability
- the capacity of different institutions is insufficient for effective implementation of changes
- regional offices of the Agency are separate legal entities;
- priorities, budget, DREAM, procurement and monitoring do not always function as one system.

A single investment cycle



Key decision: clear roles, shared rules and a single line of accountability

Donor coordination: challenges at the implementation level



High-level coordination works better than day-to-day implementation of projects.

Different donor rules increase the burden on local hromadas.



Different financing cycles

Donor calendars, criteria and requirements are not always aligned with the national cycle.



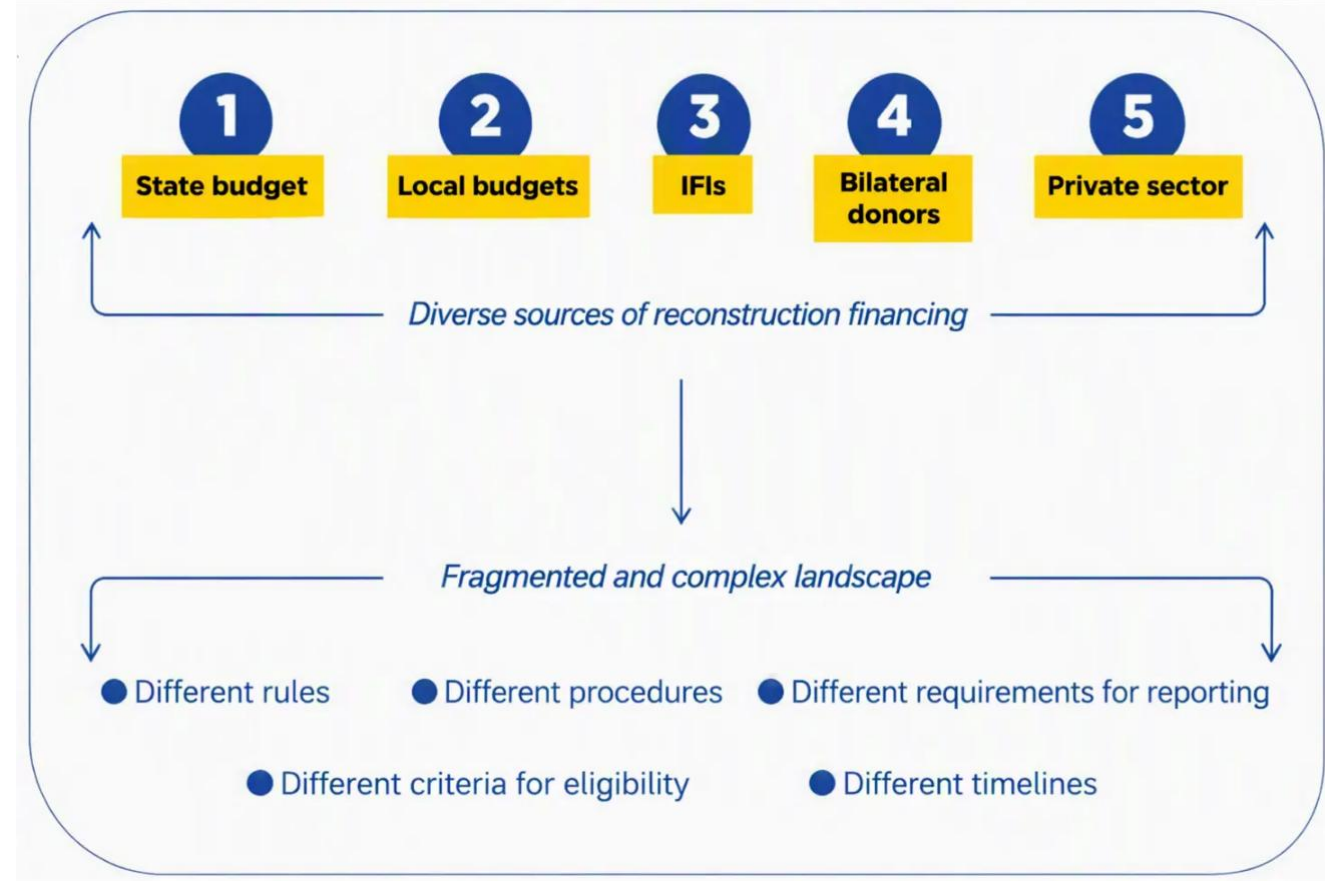
Different procurement and reporting rules

Hromadas are forced to adapt to several parallel procedures.



High transaction costs

Weaker hromadas spend more time on coordination than on preparing quality projects.



**The problem is not a lack of partners,
but a lack of common rules for implementation.**

Public Investment Management (PIM)

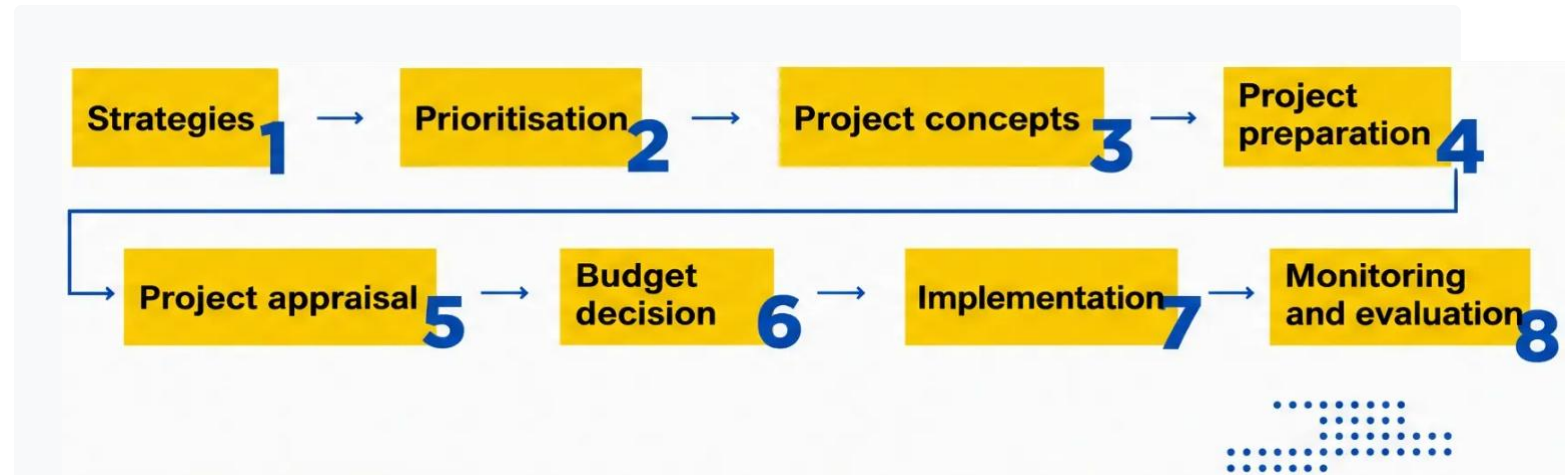


What has been established

- Strategic Investment Council
- Unified Project Portfolio
- Medium-term investment plans
- DREAM as the digital foundation of the cycle

What requires further work

- quality of project preparation
- completion of sectoral strategies
- feedback to hromadas
- synchronisation of donor financing



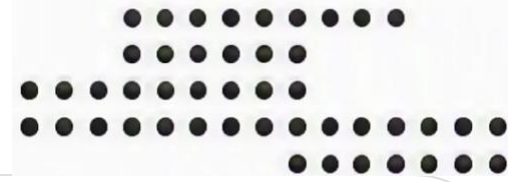
Key challenges

- constrained capacity
- uneven quality of project preparation
- gaps in data
- coordination bottlenecks



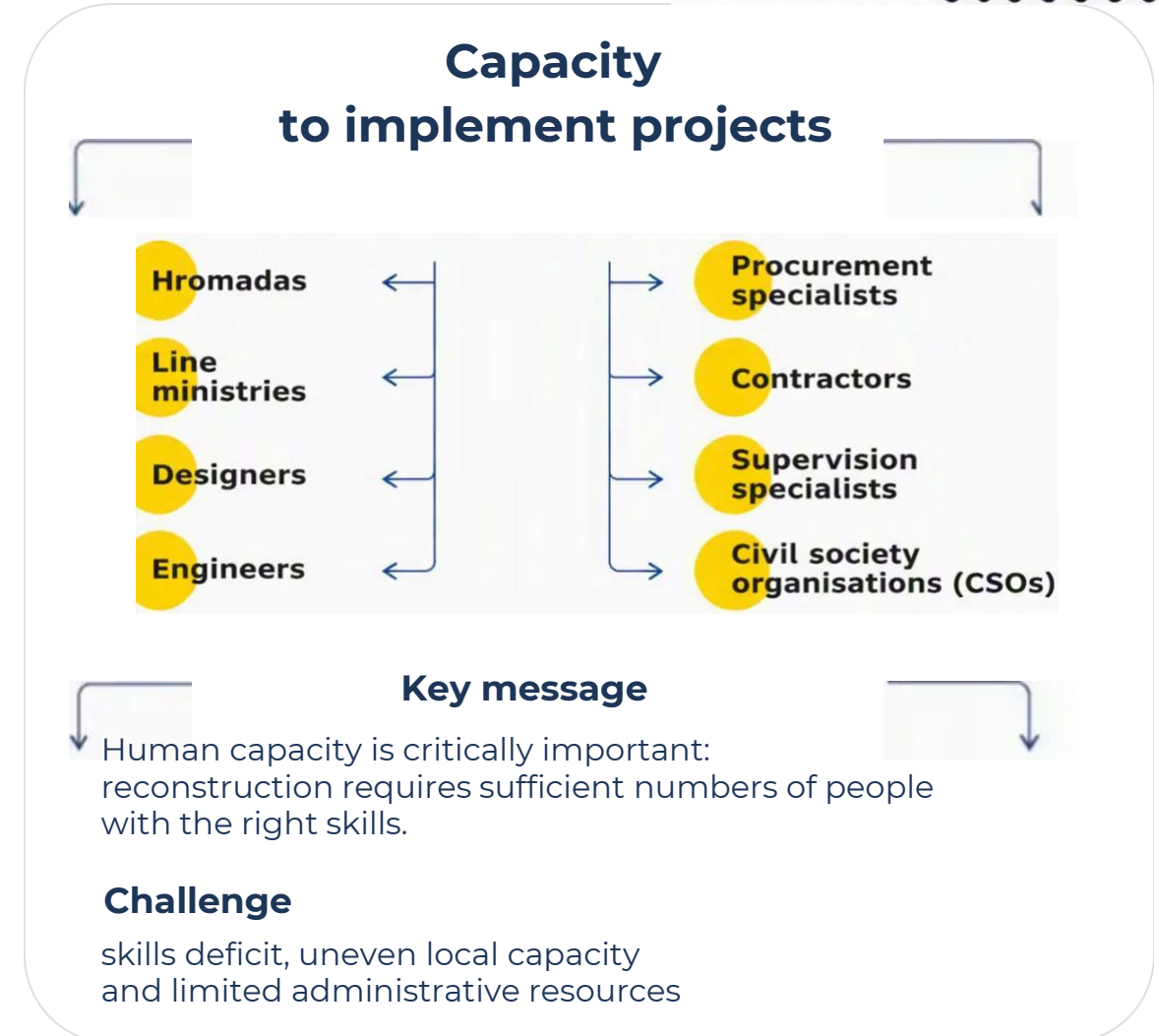
PIM should become not a stand-alone reform, but a shared working cycle for the state, hromadas and partners.

Local capacity as an implementation bottleneck



Hromadas are key implementers of many projects, but they often lack sufficient people, procedures and technical support to complete the full project cycle.

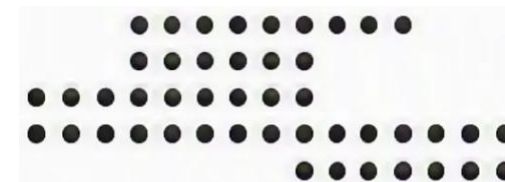
- More than 20 planning documents — the complexity of requirements exceeds the administrative capacity of many hromadas.
- Shortage of specialists — there is a lack of architects, engineers, lawyers, project managers, procurement specialists and financial analysts.
- Unequal access to financing — weaker and front-line hromadas have fewer chances to prepare competitive applications, even though their needs are often higher.



Key need:

a permanent mechanism for project preparation and a practical network of technical support for hromadas

Human capital in the reconstruction system



The demographic crisis and labour shortages can stall even priority and funded projects



5.5 million

**Ukrainians abroad
as war migrants**



4.2 million

**internally
displaced persons**



-32%

**formal employment
in construction
compared with 2021**

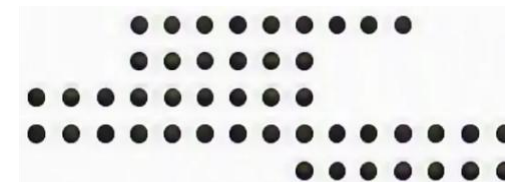


2.4 vacancies

**per available
construction worker
in the construction sector**

A project may be a priority and funded, but it can still remain unimplemented without the people who prepare it, build it, supervise it and maintain it.

The Importance of Transparency and Openness



Transparency must cover the entire reconstruction cycle — from needs to the final outcome.



Digital tools and data gaps

DREAM, Prozorro and open data create a strong foundation for control, but do not yet provide the full picture of reconstruction

Strong foundation

- project data
- procurement, contracts and payments
- public monitoring and open data

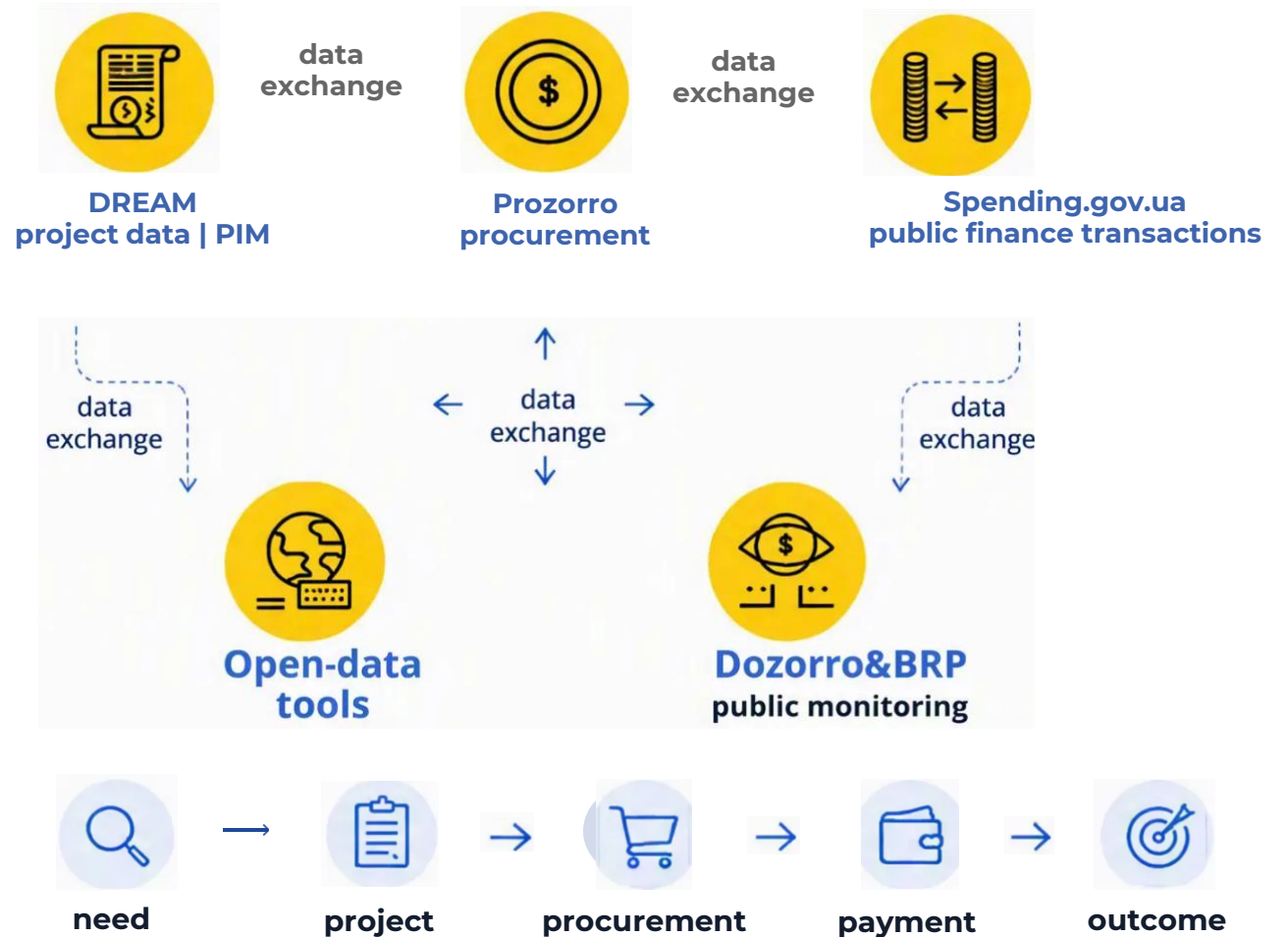
Key gaps

- incomplete or outdated datasets
- limited access to some registries
- no unified tagging of reconstruction expenditures
- missing data on current status

Mandatory datasets on the Open Data Portal

51% — missing

28% — not updated on time



The issue is not the availability of platforms, but the integrity of data between them

From reactive control to early prevention



Control should work before funds are spent, not only after violations.



Reactive control

review after contract signing or spending

need to shift earlier



Early prevention

monitoring before payment, contract amendments and acceptance of works



more than 80%

of State Audit Service of Ukraine (SASU) monitoring procedures in 2024 were initiated after contract signing



approximately 58–59%

in 2025, the figure declined, but remained mostly post-factum



The system should not only record post-factum violations, but also prevent poor decisions before funds are spent.

Civil society as a reconstruction partner

CSOs are already working in planning, implementation and oversight — but engagement must become institutionalised.

64.9%

of surveyed CSOs have already taken part in reconstruction

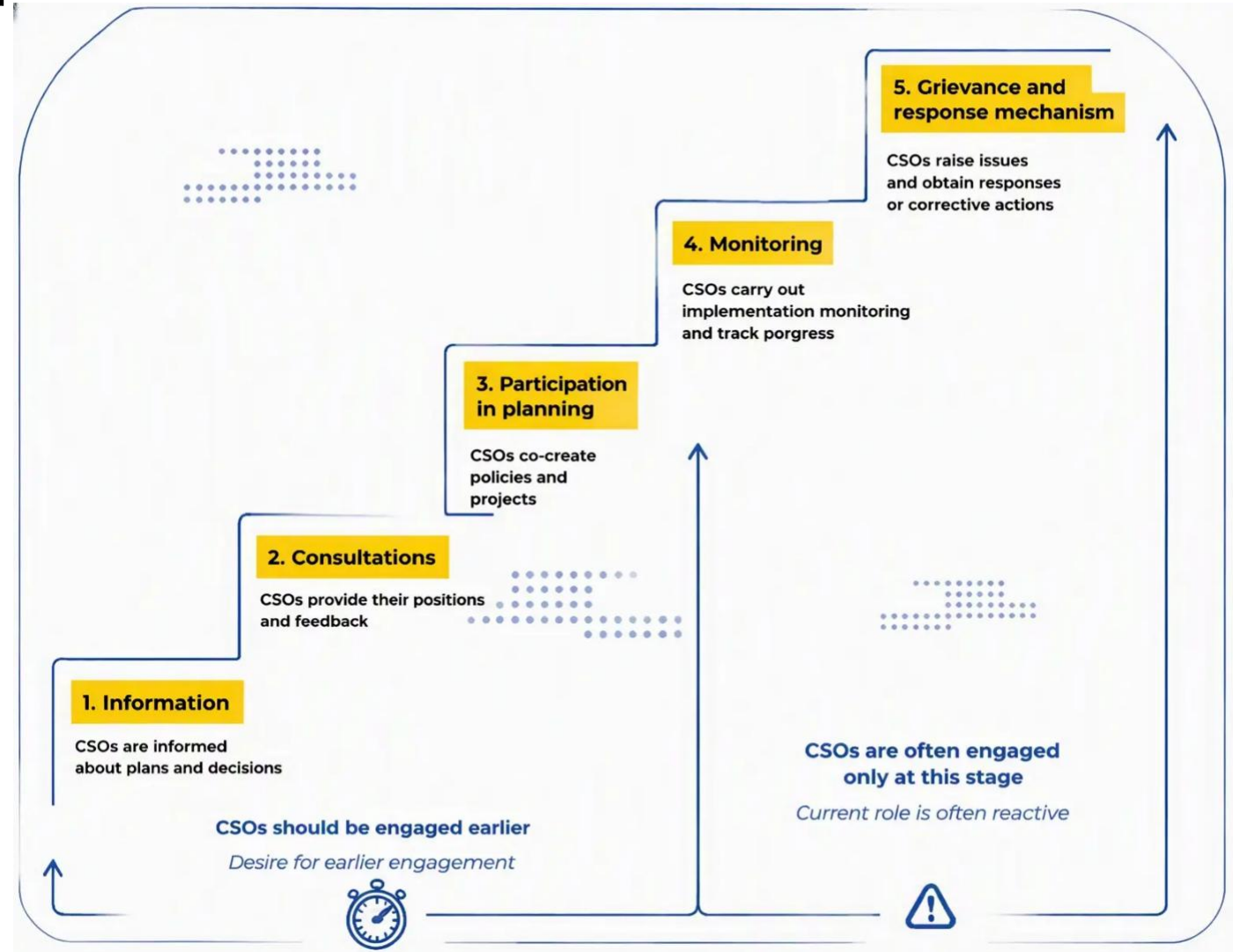
26.9%

planned to join reconstruction processes

39.3%

rated government engagement as active or very active

Civil society engagement is needed: consultations, monitoring, grievance and response mechanism, and interaction through DREAM.



Recommendations for coherent reconstruction governance



Ten key steps to strengthen coordination,
integrate DREAM and provide technical assistance to local communities

1. Clarify mandates and accountability

2. Strengthen interagency coordination

3. Standardise the Restoration Agency model

4. Make Public Investment Management (PIM) the basis for planning

5. Integrate DREAM with the budget and procurement

6. Establish a Project Preparation Facility

7. Provide local communities with technical assistance

8. Align donor cycles

9. Factor in local capacity

10. Institutionalise civil society participation

Panel 2

Build Back Better

Build Back Better

How can a political principle become a mandatory practice for planning, financing and implementation?

Build Back Better (BBB) Concept

BBB is the use of reconstruction after destruction to enhance the resilience of communities, infrastructure, the economy and the environment through the integration of disaster risk reduction into reconstruction decisions.

**For Ukraine, BBB means more than replacing a destroyed asset.
It means a better, safer and more resilient solution over the entire life cycle.**



Safety

fewer risks
for people and services



Resilience

ability to
withstand shocks



Energy efficiency

lower energy
costs



Low-carbon development

lower
climate impact



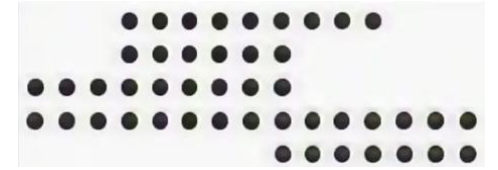
Inclusiveness

accessibility
for all groups

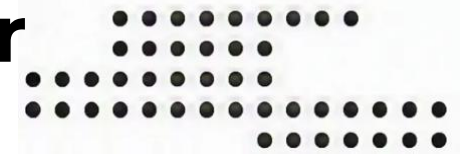


Life-cycle cost

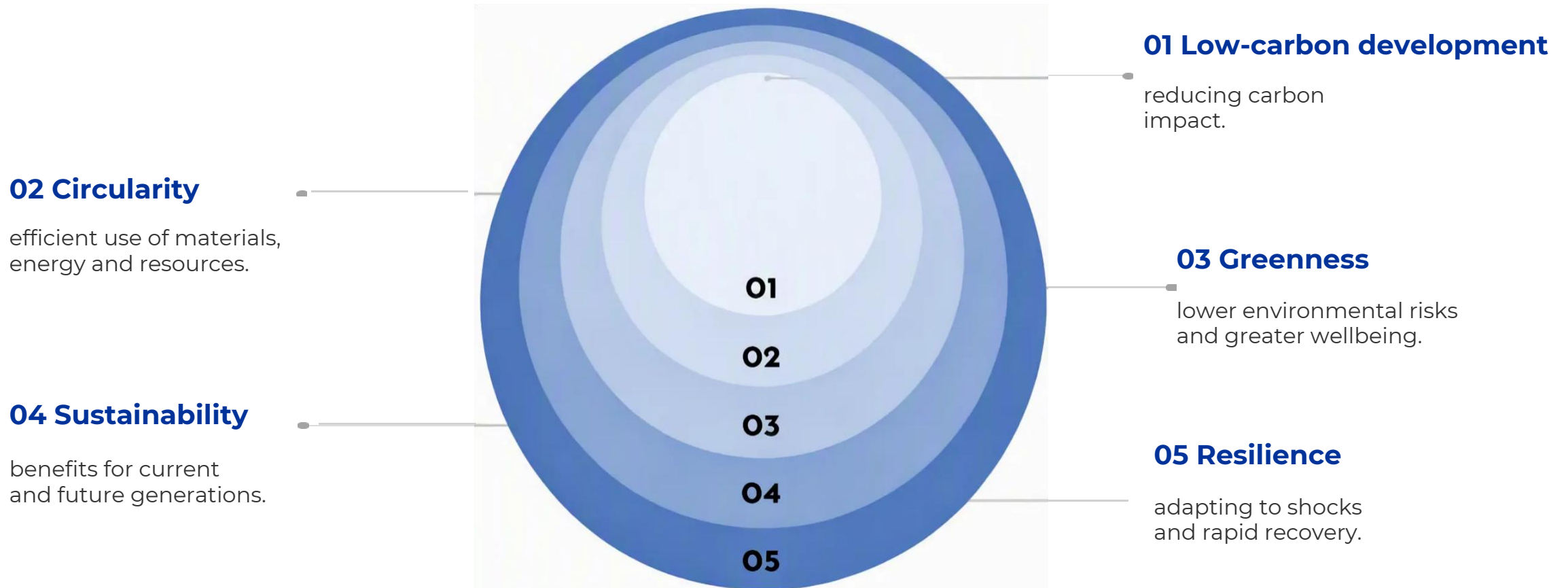
assessment of more
than construction cost



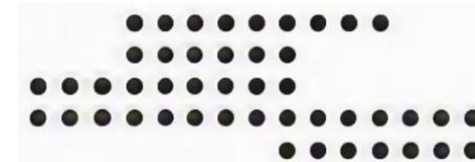
Five interconnected layers of Build Back Better



‘Better’ means simultaneously improving safety, quality, accessibility, energy efficiency, environmental outcomes and long-term costs.



Absence of an operational framework for Build Back Better



A political commitment exists, but there is a lack of rules, criteria and verification mechanisms for daily application.



Without mandatory criteria, even flagship projects may fail to deliver accessibility, sustainability and resilience.

Five systemic barriers to implementing Build Back Better

From the lack of an operational framework to local-level constraints

No operational framework

Minimum criteria, verification tools, and a common definition of BBB are not yet established.

Incomplete alignment with EU standards

Sustainability, accessibility, climate resilience, and DNSH requirements are not yet mainstreamed.

Fragmented governance

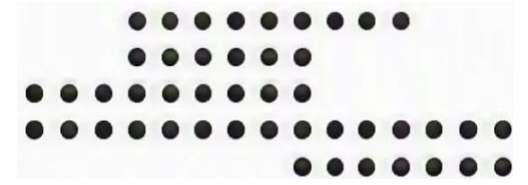
Decisions across different sectors are not always integrated into a single approach.

Weak strategic planning

Ambitions in documents do not always translate into procurement, technical specifications, and implementation.

Limited local capacity

There is a lack of professionals, time, methodological support, and administrative resources.



Consequence

Strategic ambitions do not translate into sustainable design solutions.

Risk: reconstruction may reproduce pre-war vulnerabilities instead of overcoming them.

European integration as a practical framework



Ukraine Facility sets measurable requirements for the green transition, climate targets and the Do No Significant Harm (DNSH) principle



Climate targets

at least 20% of relevant investments must contribute to the climate, the environment and the green transition.



DNSH principle

financing must not support activities that cause significant harm to the environment.



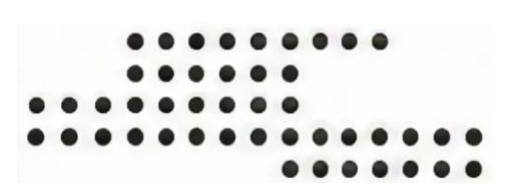
EU practice

EU taxonomy, energy efficiency, accessibility, climate resilience and environmental safeguards.

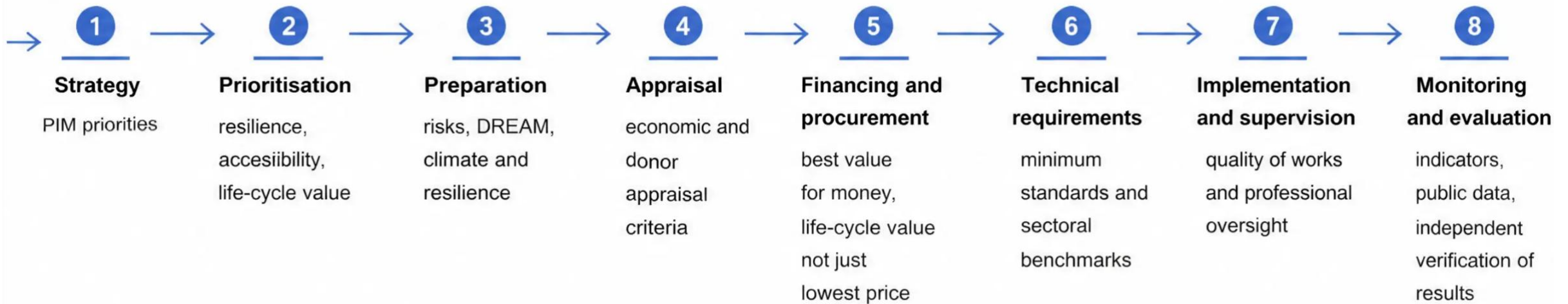


Methodological recommendations for the environmental analysis of public investments have been adopted, but must still become a standard practice in project preparation and selection.

Embedding Build Back Better in the project cycle

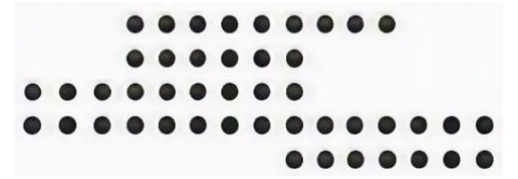


The pathway to embedding the principles from strategic planning and procurement to monitoring and evaluation of results

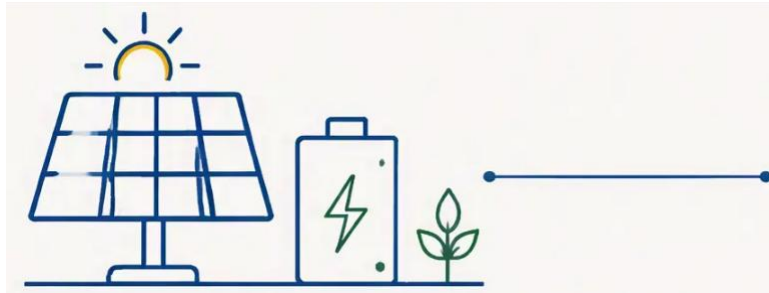


BBB must be a test at every stage of the cycle, not an add-on at the end.

Positive practices and pilot solutions



Ukraine already has solutions that can be scaled up as BBB standards.



Decentralised renewable energy

Solar power plants, storage and local generation for hromadas, businesses and critical infrastructure.



Heat pumps and electrification

Energy-efficient heating, reduced reliance on fossil fuels and a lower carbon footprint.



Hromada partnerships

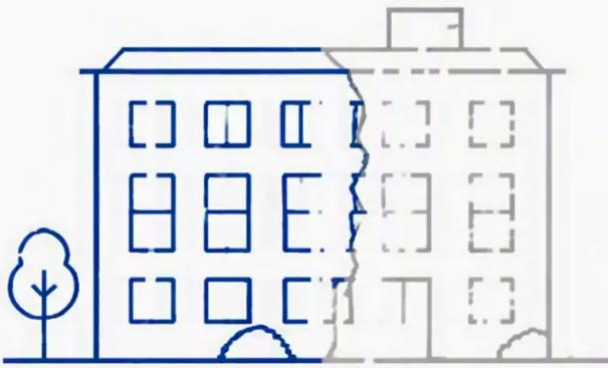
International funds, green reconstruction programmes and local coalitions help launch pilot projects.

The task is to move from individual pilots to standard practice.

Typical solutions, financial instruments, national programmes and technical support for hromadas are needed.

Buildings case study: scale and bottlenecks

Housing damage, expensive modernisation and low accessibility of social infrastructure



14%

of housing stock
damaged or destroyed

more than

3 million

households
affected

more than

EUR 80 bn

in housing
reconstruction needs

Modernisation cost has tripled



2016–2017:
around
EUR 100/m²

2025:
around
EUR 300/m²

Accessibility of social infrastructure



17%

fully
accessible

42%

partially
accessible

not accessible or requiring
improvement / not
accessible or requiring
further improvement

① Accessibility remains a systemic bottleneck.

Trostianets case study: hromada transformation

Energy-efficient solutions and the «New Balance» strategy in the reconstruction of destroyed facilities.

Build Back Better works when the reconstruction of individual facilities is part of a hromada spatial strategy

Trostianets has combined safety, accessibility, energy efficiency and partnership financing within a coherent reconstruction logic.



New Balance Trostianets master plan



Energy-efficient hospital with solar panels

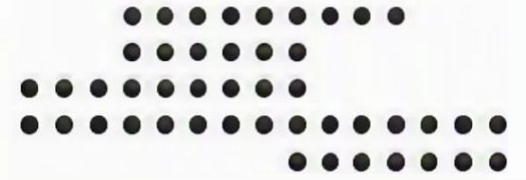


Housing with renewable heating and heat pumps



Coalition of the hromada, government, civil society organisations and international partners

Trostianets case study: hromada transformation



2022



2025

Recommendations for standardising Build Back Better practice

For Build Back Better to become mandatory practice, criteria must be embedded in decisions, financing, procurement and verification of results.

- 1 | Adopt a legal definition and operational framework for BBB
- 2 | Establish minimum criteria, including safety, resilience, sustainability, energy efficiency and accessibility
- 3 | Develop sectoral guidance and verification mechanisms
- 4 | Embed BBB in PIM, DREAM, financing, procurement and technical documentation
- 5 | Apply DNSH principle and retain full environmental assessments
- 6 | Move from lowest price to best value over the life cycle



**BBB standard =
criteria + verification +
financing +
accountability**

Final message for the discussion

Shared conclusion

**Reconstruction must move
from individual projects
to a coherent system
of high-quality
reconstruction.**

Shared responsibility

Transparent decision-making cycle

Accountable local outcomes

АРХІТЕКТУРА ВІДБУДОВИ УКРАЇНИ



ПОВНИЙ ЗВІТ

UKRAINE'S RECONSTRUCTION ARCHITECTURE



FULL REPORT

RISE Ukraine — a partner for high-quality reconstruction

**From oversight —
to shared capacity**



What we do — and can strengthen further

1. Strengthen hromadas in planning and project preparation
2. Use data and analysis to develop recommendations and evidence-based advocacy
3. Advance Build Back Better principles — resilience, energy efficiency and accessibility
4. Connect hromadas, government, donors, businesses and civil society organisations
5. Monitor projects, data and local outcomes - and strengthen transparency and accountability

Meaningful participation of civil society organisations, open data, feedback mechanisms, local capacity and long-term donor support are essential for quality reconstruction.