

INSTITUTIONALIZING UKRAINE'S POST-WAR RECONSTRUCTION

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Abstract. The devastation of war in Ukraine has triggered an urgent need for a comprehensive and sustained post-war recovery process. Yet, beyond rebuilding infrastructure and attracting foreign aid, the core challenge of recovery lies in institutionalization – the embedding of recovery efforts within resilient, accountable and inclusive governance frameworks. This research explores how institutionalizing recovery can serve not only as a mechanism for reconstruction, but as a foundation for reimagining Ukraine's governance, state-society relations and long-term strategic direction. Drawing on interdisciplinary literature from post-war state-building, institutional economics and democratic governance, the paper outlines a conceptual model of institutionalized recovery that integrates legal reform, decentralization, public trust and strategic foresight. Paper emphasizes that successful reconstruction cannot be achieved through ad hoc projects or donor-driven initiatives alone; rather, it requires a systemic and deliberate effort to empower domestic institutions – both formal and informal – to lead, coordinate and adapt recovery strategies in response to evolving challenges. The analysis focuses on five interrelated dimensions: (1) the conceptual foundations of institutionalizing recovery in post-war settings; (2) the role of institutional resilience in enabling adaptive governance and citizen trust; (3) the design of core reforms, including the establishment of an autonomous national recovery coordination body and local capacity-building; (4) the centrality of civil society, transparency mechanisms and public participation in recovery oversight; and (5) the importance of balancing central and local government roles to ensure an inclusive and effective division of labor. Special attention is paid to Ukraine's path toward Eurointegration and the opportunity to align recovery institutions with EU governance standards. The research draws on relevant international case studies, scholarly literature and the evolving Ukrainian context to argue that recovery must be deeply political and future-oriented, not merely technical. Environmental sustainability, digital innovation and protection against hybrid threats are also treated as essential components of institutional resilience. The paper concludes that institutionalizing recovery is Ukraine's most strategic path toward rebuilding not only what has been destroyed, but also what was previously weak or dysfunctional. By embedding reconstruction within institutions that are transparent, participatory and adaptable, Ukraine can avoid the pitfalls of fragmented recovery and lay the groundwork for a democratic, secure and European future. Future research will focus on how to structure financial mechanisms for post-war recovery in alignment with Ukraine's specific governance context.

Keywords: post-war recovery, institutional resilience, governance reform, decentralization, adaptive governance, reconstruction policy finance, multi-level governance.

JEL Classification: O17, R58, F35, Q56, H12

1. Introduction

The war in Ukraine has resulted in colossal human suffering and physical devastation, but has also profoundly shaken the country's institutional, economic and governance structures. Recovery in its essence is not about infrastructure or investment, it is an institutional process. Sustainable post-war recovery – being not just emergency relief or short-term projects realized – involves strengthening institutions that can maintain stability, inclusiveness and accountability.

Embedding institutions in recovery process means having clear norms, legal frameworks and governance mechanisms able to coordinate the actions of state agencies, local authorities, civil society and international partners. Without such a framework, reconstruction could be fragmented, ineffective or hijacked by vested interests. Rebuilding cannot simply restore Ukraine to the state before the war; it must deal with long-standing structural deficiencies – including corruption, regional asymmetries

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and weak rule of law – which contributed to Ukraine's vulnerability in the first place.

The idea of institutionalized recovery in Ukraine needs to be scrutinized for obstacles and possibilities involved in building resilient institutions amidst ongoing war and a volatile geopolitical situation. Existing models of recovery and international best practice should be reviewed through the lens of the governance context of Ukraine to outline a model of post-war recovery that is not just fast, but also sustainable, just and future focused.

Managing post-war recovery is a complex task involving the consolidation of the governance, economic and civil society integration and environmental aspects. Previous research focuses on the lessons learnt regarding mechanisms essential for successful post-war recovery, including fixing institutional frameworks, developing the social economy and achieving environmental sustainability. Strong institutional frameworks are essential to help restore equilibrium after the war – a task which is especially challenging for countries experiencing war, i.e. Ukraine. In this respect Shyshkovskiy & Zvarych (2025) argue that extending the reach of institutions and empowering the bureaucracy is crucial to ensuring policy effectiveness centered on decentralization and the involvement of civil society. Moore (2021) analyzes role of FDI as a driver for recovery, arguing for post-war policies beneficial for attracting international investment boosting economic revitalization. Hanson (2018) highlights the need to integrate biodiversity and ecosystem considerations in the post-war recovery, sustainable environmental management may promote the long-term goals of post-war recovery. In addition to governance and economic considerations, it is the role of civil society which is crucial for effective recovery. Kage (2009) argues that while reconstruction must largely engage in coordination between state and society, non-governmental organizations can fill in the gaps in institutional capacities and moderate the degree of effectiveness of reconstruction efforts. Deacon & Sullivan (2009) argue that social network becomes a central element of individual recovery evidenced by case of women in rural areas of Mozambique, showing that micro-level support systems matter in the architecture of postwar recovery. Environmental management can be another prominent factor which may support post-war recovery. Ignoring environmental issues can complicate peacebuilding and affect post-war recovery (Conca & Wallace, 2009). This is especially apparent in post-war areas where natural resources are often extracted for an immediate financial return, generating long-term environmental and public health issues. Conca & Wallace (2009) promote combining environmental assessments with post-war planning to establish the

best methods for sustainable economic development and respect for ecological integrity.

Hence, the postwar reconstruction should be institutionalized in a comprehensive manner through a package of governance, economic, social and environmental recovery measures. By addressing such interrelated issues, society and government can build resilient and sustainable post-war recovery.

The *objective* of this research is to develop a comprehensive conceptual framework for institutionalizing Ukraine's post-war recovery, with a focus on establishing resilient, transparent and inclusive governance mechanisms that ensure the effectiveness, sustainability and legitimacy of reconstruction efforts. The following *research tasks* are outlined:

- To conceptualize the notion of institutionalized post-war recovery by analyzing relevant theories of institutional resilience, post-war governance and state-building and situating them within the Ukrainian context;
- To examine the structural challenges and opportunities facing Ukrainian institutions in the post-war period, including the legacy of corruption, administrative decentralization and the demands of European integration;
- To investigate the role of institutional resilience in enabling adaptive governance, supporting public trust and enhancing coordination among national and local stakeholders during the recovery process.

Methodology of this research adopts a qualitative, multi-method approach grounded in interpretive policy analysis and comparative institutional theory. The central aim is to examine how institutional frameworks can be structured to support Ukraine's post-war recovery in a sustainable, inclusive and resilient manner. Given the complex and evolving nature of the Ukrainian context, the study employs a combination of conceptual analysis and document-based inquiry.

2. Conceptual Foundations of Institutionalizing Post-War Recovery

Institutionalizing post-war recovery refers to the process where a country mainstreams recovery efforts into stable, transparent and accountable institutions ensuring that it is not just reactionary and ad hoc rather it is systematically embedded into a wider dimension of governance, policy development and civic life. In the case of Ukraine this issue becomes even more pressing and complex because of the state of war, the destruction scale and the transitional political and economic path accompanied by it.

Institutionalization, in this context, encompasses the documentation and normalization of the structures, roles and norms that shape how recovery is planned,

funded, put in place and evaluated. This has often been about consolidating or building new legal frameworks, coordinating central and local government bodies, creating a clear chain of command and involving civil society and international actors in the recovery (Chatham House, 2023). Perhaps most crucially, institutionalization also suggests the long-term commitment to build the capacity of public institutions so that recovery is not externally imposed but becomes both locally grown and democratically sanctioned.

In theory, the idea is pulled from post-war state-building literature, institutional economics and governance studies. From the post-war reconstruction standpoint, scholars (Paris, 2004) have stressed the need for an institutional peacebuilding approach not only within the security and rule of law areas, but also in the domain of economic governance, decentralization and civil society building. From a neo-institutional perspective, reform sustainability will depend on the degree to which the new rules and practices will be taken for granted both the administrative system and societal expectations, i.e., institutionally embedded, reducing their dependence upon external support in favor of internally derived resilience.

In the case of Ukraine, the institutionalization of recovery is coupled with the long-term historical weaknesses of governance, corruption and the requirements of administrative decentralization. Added to the barriers are the consequences of war and the pressing needs of reconstruction, which can sometimes create the expectation that institutions will repair fast and with little room for full systemic reform. Ukraine's recent experience of civic mobilization (e.g., during the Euromaidan) also creates possibility for more inclusive and participatory models of recovery – although such models would need to be institutionally grounded.

Recovery process must be conceived not just as an effort to rebuild damaged infrastructure but to strategically reimagine governance to promote equity, sustainability and legitimacy. For instance, the participation of local communities in making planning decisions, through empowered municipalities and processes of public monitoring, is normatively desirable and practically indispensable to avoid the trap of elite capture, inefficacy or popular mistrust. Similarly, the embedding of Ukraine's recovery plan into its EU integration agenda provides the opportunity to institutionalize European standards of governance into the rebuilding regime (CEPR, 2023).

The institutionalization of postwar recovery in Ukraine is not, therefore, a technocratic fix – it is a deeply political and strategic undertaking to entrench resilience, inclusion and rule-based governance into the postwar state's DNA. It challenges the established norms of how power is wielded, decisions are reached

and public trust is established in responsive, transparent institutions that can learn and adapt. Therefore, institutionalizing is both the means and the measure of a successful post-war recovery.

3. Institutional Resilience and Post-War Recovery

The concept of institutional resilience, the ability of institutions and systems to absorb, adapt and transform in the face of crises, is becoming a vital theoretical and applied framework for how societies can negotiate postwar recovery and avoid cycles of fragility. Institutional resilience is more than mere continuity of government or service provision during crises. It is about how public institutions can learn from shocks, reconstitute themselves without failing and create legitimacy through adaptive and inclusive governance. Resilience in Ukrainian context is about consolidating the formal institutional arrangements (e.g., judiciary, anti-corruption institutions, public financial management systems and decentralized governance arrangements) as well as the informal norms and connections that reinforce collective action and social solidarity.

In the context of Ukraine's postwar reconstruction, one of the most important aspects of institutional strength is the ability of governance structures to adapt. Adaptive governance means that institutions can respond flexibly and constructively to fast-changing circumstances. As recovery unfolds amid ongoing uncertainties – ranging from shifts in financial priorities to evolving security threats and urgent social needs – Ukraine's public institutions must remain open to procedural adjustments, empower decentralized decision-making and ensure that feedback from both local communities and international partners informs their actions. This flexibility is essential to avoid stagnation or rigid top-down control that often hampers effective governance (IMF, 2022).

Another critical aspect is the restoration of public trust. In societies emerging from war, where citizens may feel alienated by previous episodes of corruption, fragmentation or ineffective leadership, rebuilding confidence in public institutions becomes a cornerstone of resilience. This cannot be achieved without open and transparent decision-making, consistent application of the law and active involvement of citizens in shaping recovery priorities. Community oversight of infrastructure projects and the inclusion of displaced people in local governance processes are just some ways to support a sense of shared ownership and legitimacy.

Resilience also relies on the ability of institutions to coordinate effectively across multiple levels of governance. Ukraine's recovery depends on cooperation among a broad array of stakeholders – ranging from

central ministries and local governments to civil society actors, international donors and multilateral agencies. Without robust coordination mechanisms, the recovery process risks becoming fragmented, wasteful or driven by conflicting political agendas. Integrated digital platforms, cross-sectoral task forces and unified planning frameworks are essential tools for ensuring that institutional efforts are harmonized and aligned toward common goals.

At the same time, institutional resilience must be understood within the broader context of hybrid threats and geopolitical volatility. Ongoing risks such as cyberattacks, disinformation campaigns and attempts to destabilize Ukrainian politics from abroad mean that resilience must go beyond efficient administration – it must also encompass national security. Institutional routines need to include contingency planning, digital infrastructure safeguards, emergency governance protocols and public education strategies that strengthen societal resistance to manipulation and external interference (World Bank, 2023).

Importantly, resilience should not be reduced to a return to pre-war conditions. Instead, recovery offers an opportunity to fundamentally reimagine and upgrade Ukraine's institutions – to make them more transparent, inclusive and future-oriented. In this sense, resilience should be closely tied to Ukraine's path toward European integration, with reforms anchored in EU norms and values relating to governance, accountability and fundamental rights. This alignment enhances institutional performance and situates Ukraine's recovery within a broader vision of strategic transformation.

Ultimately, institutional resilience must serve not just as a concept, but as a guiding principle in rebuilding Ukraine's public sector. By embedding flexibility, trust, coordination and security into the everyday functioning of its institutions, Ukraine can turn the process of recovery into a foundation for long-term democratic renewal and systemic reform (UNDP, 2024).

4. Institutional Reforms for Post-War Recovery

To ensure Ukraine's postwar recovery is truly effective, it's not enough to rely on political determination or external financial aid. At the heart of the recovery effort must be capable and trustworthy institutions – those able to design, coordinate and implement wide-ranging strategies that touch every sector of society. The task ahead is enormous: it includes rebuilding infrastructure, restoring public services, reactivating the economy and strengthening governance. In this context, small institutional fixes will not be efficient. Comprehensive, deep-rooted reform effort are required around core values like openness, local empowerment, accountability and long-term vision (World Bank, 2009).

A key priority is creating a national recovery coordination body that is both centralized in function and independent from political interference. This new institution should have legal authority, a clear scope of responsibility and a diverse governance structure that includes representatives from government, local authorities, civil society and international organizations. Its role would go far beyond merely allocating donor funds – it must set national recovery priorities, align regional efforts and ensure that foreign assistance is used effectively. Country would struggle with overlapping mandates, while more focused, technocratic approach would deliver clearer results. Recovery process should include strategic foresight – a way of anticipating long-term risks and shaping policies accordingly. By embedding policy labs or strategic planning teams into the central recovery body and key ministries, Ukraine can better prepare for future challenges like climate change, evolving security threats, or demographic shifts. Recovery isn't just about fixing what's broken – it's about building something more resilient for the decades ahead.

Equally important is boosting the capacity of local governments. Much of the actual rebuilding – schools, homes, roads, clinics – will happen at the local level. While Ukraine has made steps in decentralization since 2014, many municipalities still lack the staff, expertise and resources to handle the scale of work ahead. Focused training, flexible funding and performance-based support can help these communities take charge of reconstruction while staying aligned with national goals. Recovery will also fall short unless it genuinely includes the voices of citizens. Rebuilding public trust means giving communities a real role in decision-making. From setting priorities to monitoring progress, local engagement should be woven into every step of the process. There should be permanent channels for input from displaced families, veterans, youth – not just ad hoc consultations. Tools like participatory budgeting and community audits should be standard practice, not exceptions.

Legal and judicial reform also must be a top priority. In postwar situations, issues like property disputes and unclear regulations can quickly deter investment and stall recovery. Ukraine needs to ensure that laws are consistently enforced, contracts upheld and disputes resolved fairly and promptly. A trustworthy and efficient legal system is not just a matter of fairness – it's a foundation for drawing in the private capital needed to rebuild.

5. Balancing Central and Local Governments' Roles in Post-War Recovery

For the process of postwar reconstruction in Ukraine to be both effective and inclusive, it is important to maintain a functional balance between the roles of

central and local government institutions. A balance is necessary between national leadership to ensure consistency and risk management and the coordination with international partners on the easing of travel issues. Meanwhile, local authorities are the ones closest to impacted communities and in the best position to work with them to address their on-the-ground needs. For reconstruction to be sustainable – in the physical sense, but also the social and political sense – both levels should operate in the framework of a clarified and cooperative division of labor.

The national government should concentrate on providing strategic guidance, ensuring a strong legal and regulatory framework and managing the overarching coordination of the effort. This must include anchoring the recovery to Ukraine's objects of Eurointegration, managing international partnerships and financial flows and securing oversight by means of anti-corruption and transparency structures. Instead of trying to directly control every task, central institutions should empower regional and municipal authorities to execute recovery plans by providing them with clear direction, resources and digital tools as they carry out their work.

A change of strategy is required; one that shifts from top-down control to a model that focuses on strategic support for local initiatives. This would mean granting municipalities autonomy and capacity to handle reconstruction in their areas, but with the national government ensuring that everyone operates to common rules and standards. This strategy reduces wasted time, redundant duties and the lack of relatedness that can occur when decisions get made remotely from those who are affected.

Municipalities, meanwhile, have a vital part to play in turning strategy at national level into reality. A number of them have already been granted greater authority in recent years, chiefly in the areas of education, health care, infrastructure and budgeting. Now, these local entities are on the front lines of recovery, tasked with figuring out what communities need most, directing the massive rebuilding efforts and keeping residents engaged and informed in the effort. Municipalities should drive the reconstruction of housing, public services and local infrastructure. Municipalities should also develop spaces for civic participation – whether through local recovery councils or public hearings – and partner with nongovernmental organizations to track progress and ensure more accountability. Local governments may also have an opportunity to experiment with new approaches and create best practices that can later inform national recovery policy.

There are still serious issues for many local authorities, especially in parts of the country most affected by the war. They need help building their institutional capacity, bringing on and training the right people and working through the legal and bureaucratic requirements. Without this support shifting responsibilities locally could overburden already weak systems. That is why national recovery plans need to incorporate efforts to reinforce the operational infrastructure of local governance along with physical reconstruction. If different parts of government are expected to work together efficiently, there must be organized channels of coordination. Recovery planning must include regular two-way communication, in which local intelligence and the perspectives of local communities can resource national decisions, while national programs can support local capacities.

6. Conclusions

The institutionalization of Ukraine's post-war recovery is not merely a bureaucratic or technocratic concern, being a decisive factor for determining future development path for Ukraine. While physical reconstruction may be the most visible aspect of post-war recovery, the deeper challenge lies in embedding this process within robust, transparent, and resilient institutions that can manage Ukraine through its post-war transition and beyond.

Institutionalizing recovery is both a means and an end: a process that ensures coherence, inclusivity and accountability, while also laying the groundwork for a new social contract between the state and its citizens. The experiences of other post-war societies, as well as Ukraine's own recent history of civic engagement and decentralization, indicates the importance of designing recovery mechanisms that are not only centrally coordinated but locally grounded. A functional balance between national leadership and empowered local governance is essential to avoid fragmentation and support legitimacy.

Ultimately, institutionalizing post-war recovery is about transforming the aftermath of destruction into a moment of foundational renewal. It is a rare opportunity for Ukraine to reimagine how governance functions, how trust is built and how public value is created. If approached with foresight, integrity and inclusive intent, this process can help Ukraine emerge not merely as a rebuilt state, but as a redefined and resilient democracy. Future research would be centered on issues of structuring finance for post-war recovery in a cohesion with governance peculiarities in Ukraine.

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