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## Research Report

# Multiple missions in the midst of war: Integrating Ukraine's recovery and EU Accession

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## Multiple Missions in the Midst of War: Integrating Ukraine's Recovery and EU Accession

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### Summary

Ukraine and its international partners are faced with an unprecedented task: advancing recovery efforts and the EU accession process while also providing critically important military and financial support to help Ukraine defend its sovereignty against Russian military aggression. Uncertainty over when and how the war will end makes planning for recovery and EU membership even more complex, but also underlines the need for their integration. Given a shared focus on a transformative modernisation, both processes can reinforce each other.

Along this line of thinking, the EU has adopted the Ukraine Facility to provide reliable funding to Ukraine up to 2027, with the aim of supporting recovery and key institutional and administrative reforms required for Ukraine's EU accession. The main roadmap for implementation of both is the Ukrainian government's so-called Ukraine Plan.

However, recovery and EU accession will not automatically create synergies, and may, at worst, overstretch Ukrainian government and private-sector capacities as well as societal support. To maximise synergies between the processes, policymakers should consider the following recommendations:

- **Set priorities that address short-term demands and have long-term ambitions.** Recovery measures should be prioritised that improve security, meet the basic needs of the people and are crucial to the functioning of the Ukrainian economy. In EU accession negotiations, the "fundamentals" and chapters that stimulate economic growth and competitiveness should be prioritised, because utilising the accession process to stimulate economic growth today can directly contribute to transformative rebuilding and vice versa.
- **Ensure society-wide ownership of the Ukraine Plan.** The German and Ukrainian governments, as co-hosts of the Ukraine Recovery Conference (URC) in June 2024, should make sure that the URC is the starting point for institutionalising an inclusive approach in the

implementation of the Ukraine Plan. This can be achieved through the promotion of issue-specific coalitions of different actors across multiple levels of governance in Ukraine beyond this year's URC.

- **Engage international donors in supporting the Ukraine Plan and leveraging recovery to accelerate Ukraine's EU accession path.** Germany, as an EU and G7 member state, could serve as an important bridge-builder between EU and non-EU supporters of Ukraine's recovery. EU member states should align their bilateral assistance to Ukraine with the Ukraine Plan.
- **Tailor technical assistance and capacity building.** An asset map, developed jointly by Ukrainian and international actors, should identify and systematise strengths and unused potential (e.g. regarding infrastructure, public finance and industrial and commercial activities) in specific regions and municipalities, and in the private sector, taking into account the different development strategies that have evolved at different levels of governance over the past months. The Ukrainian diaspora in EU countries should be incentivised to actively engage in these processes without predicated their involvement on unrealistic expectations of a quick and large-scale return.
- **Prepare for intermediate steps in Ukraine's EU accession.** The German government should continue to advance the debate between EU institutions and member states about intermediate steps in Ukraine's EU accession before formal membership, including Ukraine's progressive integration into the EU single market.
- **Adopt open and transparent communication.** Building on open and transparent dialogue, both the Ukrainian government and the EU will need to develop an effective communication strategy towards the Ukrainian people to uphold their support for EU accession. Effective communication within the EU is required to limit the political space of veto players.

## Introduction

The European Council decisions of 23 June 2022 to grant European Union candidate status to Ukraine and of December 2023 to open accession negotiations are historic. The EU crossed the line between neighbourhood and enlargement policy, and Ukraine received a concrete EU membership perspective. Every candidate country undergoes an alignment with EU standards and regulations that requires substantive reforms, new legislation, resources and implementation capacities. The context of the ongoing war makes Ukraine's accession process unique.

Recovery constitutes a long-term endeavour. In line with Grävingsholt et al. (2023), we understand recovery as “all initiatives that seek to repair the damage done by the conflict to physical infrastructure as well as to political, economic and social structures” (Grävingsholt et al. 2023). We therefore use the term recovery throughout the text, except for when we specifically refer to physical reconstruction efforts. As the Ukrainian government has already stated in its National Recovery Plan, presented at the first Ukraine Recovery Conference in Lugano in 2022, the objective is a forward-looking, sustainable transformation and modernisation of the country. This process will take place in a political and social environment altered by the war, and will entail trade-offs.

The further course of the war will determine whether and how EU accession and recovery will materialise. The link between the processes has been stated in the European Commission's first enlargement report on Ukraine (European Commission, 2023) and the Ukraine Plan 2024–2027 (Government of Ukraine, 2024).

Both EU and Ukrainian officials approach Ukraine's recovery and EU accession as mutually reinforcing processes. The EU accession agenda is bound to shape the EU's thinking about recovery and the resources it commits. At the same time, the wider range of actors involved in recovery, in particular international donors, do not necessarily view it through the lens of EU

accession. This increases the complexity of coordinating reforms that different donors may expect from the Ukrainian government. Hence, the **prospect of Ukraine's EU accession** has to become **an integral part of recovery** and an objective behind which both the Ukrainian government and international donors can unite.

It should not be taken for granted that Ukraine's path towards EU membership and recovery will automatically go hand in hand. The processes face related challenges, but their underlying logics are not identical. Combining them may therefore create tensions. This policy brief discusses conceptual and practical issues that policymakers should take into account in order to dovetail accession negotiations and recovery efforts in a mutually reinforcing manner.

## The logics of EU accession and recovery: Differences and similarities

### *Underlying logics*

The EU's enlargement policy is the tool of promoting, incentivising, and enabling structural transformations in candidate countries towards a pre-defined end goal: accession to the EU. One important mechanism behind enlargement as an EU foreign policy tool is conditionality. The Copenhagen Criteria of 1993 define the EU's overarching conditions: stable institutions that guarantee democracy, the rule of law, human rights and the protection of minorities; a functioning market economy and the capacity to withstand the competitive pressures of the EU single market, but also sector-specific requirements for aligning state policies and the economy with legal obligations of EU membership, and the EU's capacity “to absorb” the candidate country. Accession negotiations are structured around 35 chapters, following a methodology that was last revised in 2020, with conditionalities used to manage and incentivise moving from one chapter to the next (though opening several chapters at once is possible).

In contrast to EU accession, recovery processes during or after violent conflict or natural disasters are highly context-specific and can involve very different sets of external actors. Captured by the principle of “build back better” that initially emerged in the context of disaster risk reduction, recovery also includes a forward-looking approach that aims to increase the resilience of societies against future crises and disasters.

This notion of recovery comes close to the Ukrainian government’s understanding of the term. The Ukraine Plan reflects this, defining “reconstruction” as the restoration of destroyed or partially damaged assets, and “recovery” as the restoration of [social, political, economic; authors] activities (Government of Ukraine, 2024, p. 27). In other words, recovery is about a sustainable and deep transformation of a state and its society, encompassing modernisation and economic growth.

### *Differences*

Unlike EU accession, recovery can follow different sequences and paths. There can be partial or selective recovery without the whole process being derailed or getting stuck. The priorities, sequencing and governance structures for recovery need to be defined and adapted as the process unfolds, whereas EU accession negotiations set a rigid framework right from the start. Moreover, EU member states have a veto at different stages of the accession process: from the decision to make a country an official candidate to opening accession negotiations, closing individual chapters and giving a green light for the actual accession after all chapters have been closed. Veto opportunities may weaken conditionality as a systematic mechanism. Even if conditions are met, member states can still block the process for unrelated reasons. The Hungarian government under PM Viktor Orban first threatened to veto the decision to make Ukraine a candidate country and then the Ukraine Facility. The current Slovak government could play a similar role, and others may follow when domestic constituencies deem the inherent costs too high (e.g. with regard to the

EU Cohesion Policy). EU accession is characterised by a built-in asymmetry in the relationship between the EU, which sets the conditions, and a candidate country that needs to fulfil them, and ultimately depends on political backing by all EU member states. In contrast, reconstruction starts with the domestic needs and is usually supported by external actors. In practice, however, the dependence on external funding for recovery tied to conditionalities, and the EU’s reluctance to interfere in a candidate state’s sovereignty beyond the alignment agreed upon in the negotiation process, make the two processes look more similar.

### *Similarities*

Both Ukraine’s recovery and EU accession need external resources and expertise, including that of the Ukrainians displaced by the war. Both may appear (or be actively pursued by some actors) as primarily technocratic endeavours, but they are also politicised processes characterised by high and possibly diverging expectations among domestic elites and society. Whose interests effectively count more when defining priorities and implementing them? Who actually benefits or benefits sooner rather than later? Both processes have been shown to have an inherent “executive bias” that in Ukraine’s case highlights the role of the presidential administration (or certain ministries) rather than strengthening parliament or non-governmental organisations. However, the success of both processes ultimately also depends on the inclusion of a variety of domestic societal actors.

Finally, the ongoing war renders the progress and success of both processes much more uncertain, and may in fact reverse or compromise any gains made. For example, the lack of security negatively affects the chances of attracting much-needed private (foreign) investments, particularly in terms of fixed assets, which are important both for EU accession and recovery. Reconstruction of critical infrastructure may have to be repeated several times, which will make it more difficult to sustain external support. More generally, a long-lasting war will test societal cohesion and the political will in Europe.

## Synergies in the EU accession process and Ukraine's recovery

Synergies in linking Ukraine's accession path and recovery are threefold.

First, the prospect of EU membership is an **incentive for Ukrainian actors to implement key reforms** that are necessary to consolidate and further strengthen the rule of law and democracy. These institutional reforms will safeguard against corrupt structures using reconstruction assistance to obtain economic rents. The donors' trust in the integrity of Ukrainian institutions would also mobilise private (foreign) investment.

Second, the prospect of EU membership provides the **EU institutions, member states and civil society actors** in Ukraine with **leverage to maintain the political momentum** for reforms that will also be important for the governance of recovery, according to the "build back better" principle.

Finally, the common vision of Ukraine's EU membership can work as a **common framework for coordinating bilateral assistance to Ukraine**.

The European Commission's first annual enlargement report on Ukraine of November 2023 (European Commission, 2023) already linked EU accession to recovery. For example, in the chapter on regional policy it calls for an alignment of Ukraine's State Fund for Regional Development and the State Strategy of Regional Development with the recovery process and principles of multi-level governance, since recovery needs to differ across regions and municipalities. The report also underlines that recovery efforts should aim to help Ukraine build capacities to cope with competitive pressures and market forces within the EU. Special emphasis is put on rebuilding infrastructure and investing in education and training that would allow Ukraine to specialise further in integration into higher-value chains.

## The Ukraine Facility and the Ukraine Plan – linking EU accession and recovery

The EU institutions created a new financial instrument to support Ukraine's recovery and the accession path: the so-called Ukraine Facility was finally agreed by all member states with the revision of the EU's multiannual financial framework, and then approved by the European Parliament on 27 February 2024 (European Union, 2024). Its objective is to provide reliable and predictable funding to contribute to the financial stability of the Ukrainian state in 2024–2027. The financial envelope of the facility comprises €50 billion, out of which €33 billion will be provided in loans and €17 billion in grants.

The instrument is organised in three pillars (Figure 1). The first pillar is intended to support Ukraine's macro-financial stability and the implementation of reforms and investments, according to priorities set out in the Ukraine Plan 2024–2027 (Government of Ukraine, 2024). This document determines a medium-term vision for recovery measures, closely linked to key structural reforms required for Ukraine's EU accession. The second pillar of the facility establishes an investment framework for Ukraine, while the third pillar serves to provide technical assistance and capacity building, but also includes a borrowing-cost subsidy. The majority of funding, €38 billion, is earmarked for the first pillar, and €8 billion and €4 billion for the second and third pillars respectively. Interestingly, the Ukraine Facility "applies a similar operational logic as the 'Reform and Growth Facility' for the Western Balkans" (adopted in April 2024), which is based on an "embryonic staged accession methodology" of offering "financial incentives and accelerated integration into parts of the Single Market for intermediate measures towards compliance with the EU membership conditions" (Emerson & Blockmans, 2023, p. 2).

The Ukraine Plan lays out the Ukrainian government's strategy, mapping four categories of sectors and their synergies: stimulating the highest growth-enabling sectors of the economy;



**Figure 1: The three pillars of the Ukraine Facility**

UKRAINE FACILITY		
Pillar 1 Support to Ukraine Plan	Pillar 2 Ukraine Investment Framework	Pillar 3 Assistance programmes
<p><b>EU support to Ukraine Plan</b> through grants and loans to the state budget, to:</p> <ul style="list-style-type: none"> <li>- address the <b>urgent financial needs of the State</b> to maintain macro-financial stability</li> <li>- promote investments that foster <b>recovery, reconstruction and modernisation</b></li> <li>- encourage reforms needed for <b>EU accession</b></li> </ul>	<p><b>De-risking mechanism available to investors</b> through international financial institutions to scale up investments and crowd in new investors</p> <p><b>Support to the Ukrainian private sector</b> (at least 15% to SMEs)</p> <p><b>Technical assistance to support preparation and implementation of investments</b></p>	<p><b>Technical assistance to the Government</b> (EU acquis, structural reforms)</p> <p><b>Capacity building of the authorities</b> at national, regional and local level</p> <p><b>Support to civil society</b></p> <p>Coverage of <b>interest rate subsidies</b> for loans</p>

Source: Adapted from European Commission (2024) under CC-BY licence

embedding the most relevant cross-cutting areas, such as transition to a green, digital and inclusive economy; strengthening foundational sectors that provide citizens with essential services, such as healthcare, education and social services; and ensuring core values and good governance through efficient and effective public administration.

Whilst developing an ambitious roadmap for reforms intended to be implemented in the context of EU accession negotiations, the Ukraine Facility and the Ukraine Plan establish an explicit link between Ukraine’s EU accession path and recovery efforts. The approval of the Ukraine Plan by the Council of the EU is a pre-condition for disbursements of the Ukraine Facility. The Commission endorsed the Ukraine Plan on 15 April, paving the way for regular payments under the Ukraine Facility. The objective is to ensure that recovery efforts within the next four years are combined with key institutional, legal and administrative reforms. Ukraine can therefore leverage the strategic direction opened up by the EU accession perspective to align its costly recovery with economic modernisation, thereby laying a strong foundation for its eligibility for EU membership. As

funding under the Ukraine Facility’s first pillar will primarily be used to address the finance gap in the Ukrainian state budget, particular expectations are linked to private-sector lending and scaling up investment under the second pillar in order to fund recovery measures to a sufficient extent.

Ultimately, while the Ukraine Plan is a comprehensive strategy for an initial sequencing of reform implementation and for prioritising recovery efforts, it is not – and cannot be at this stage amidst the unpredictability of the ongoing war – a blueprint for a strategic recovery of Ukraine that will enable it to proceed in a straightforward manner towards EU accession. In particular, the Facility’s financial volume is insufficient to fund recovery efforts. Nor is it certain that the technical assistance component in the Facility’s third pillar sufficiently reflects the need for capacity building in Ukraine, especially as the Facility apparently integrates the support candidates usually receive under the Instrument for Pre-Accession. Capacity building at the national, regional and local levels – including social partners and civil society organisations – is crucial for the absorption of the estimated hundreds of billions of euros needed for recovery and reform assistance funds alike.

## Key challenges

Linking Ukraine's EU accession path with recovery efforts in a mutually reinforcing manner, requires the following:

### Prioritisation and sequencing

From an EU enlargement perspective, it will be necessary to focus on institutional reforms in the very first stages of Ukraine's recovery, as it will take several years to implement the reforms necessary to meet all the criteria set out in EU accession negotiations. This includes ensuring that the anti-corruption ecosystem established after the Revolution of Dignity/Euromaidan 2013–14 is upheld, corruption in the judiciary and law enforcement curbed, and that Ukrainian decision-makers pursue continual improvement. At the same time, the accession process to the EU will also have to deliver some tangible benefits for Ukraine's citizens along the way so as to maintain support for and trust in the process and counter potential frustration or anti-EU sentiment if the negotiations proceed slowly or get stalled in certain chapters. Evidence of rising Euro-scepticism during previous accession processes in Central and Eastern Europe or in Serbia's ongoing accession process illustrate this risk.

From a recovery perspective, an initial priority will be addressing short-term needs and focusing on sectors where quick and effective impacts can be realised. The latter is also important for promoting the legitimacy of how Ukraine's recovery is governed and supported "from below". The more tangible the results of the international efforts to support Ukraine's recovery, the greater the public support for governance structures and set priorities will be. At the same time, it is clear that Ukraine's long-term recovery must be based on conditions in line with the EU *acquis*. Hence, in both processes there is a need to reconcile short-term demands with the long-term objectives of EU integration and recovery. First, recovery measures should be prioritised that have a security-improving effect or focus on the basic needs of the population *and* are of critical importance to the functioning of

the Ukrainian economy. A resilient and thriving economy is a precondition for the Ukrainian state and society to implement reforms necessary to meet EU standards. This should include a strong focus on de-mining operations – not only is mine clearance important for reasons of physical security, it would also contribute to restoring agricultural livelihoods and production. According to estimates, around 30% of Ukraine's land might be contaminated by mines and unexploded ordnance (Ministry of Foreign Affairs of Ukraine, 2023). Moreover, measures addressing the basic needs of the population, such as health, housing and education, are an important prerequisite for kickstarting the economy and giving citizens resilient perspectives, providing them with renewed hope in the face of the ongoing war.

Second, recovery efforts should continue to focus on critical infrastructure, transport routes and logistics that are key enablers of the Ukrainian economy and valued by society. It will be important to find the right balance between short-term recovery needs, which cannot always be reconciled with strategically important goals for sustainability, and the transformation outlined in the EU's strategic priorities, or with medium-term initiatives such as the reconstruction of highways or power plants. When interests diverge, it might be challenging to determine which level of government has the last word to prioritise one project over another.

As for the accession negotiations, it is clear that a priority will be on the so-called "fundamentals", which run alongside the whole accession process and the negotiation of all other chapters. They concern core issues of the rule of law, fundamental rights, strengthening democratic institutions, including public administration reform. Their prominent role is reflected in the Ukraine Plan and is consistent with the fact that opinion polls regularly document that the Ukrainian population sees the fight against corruption as the top priority for reform (e.g. Onuch et al., 2023). In addition, in the accession negotiations – particularly in the clusters on the internal market and on the green agenda and sustainable

connectivity – priority should be given to those chapters where progress on alignment with EU requirements will contribute positively to increasing the competitiveness of the Ukrainian economy, in particular with a view to the five growth-enabling sectors indicated in the Ukraine Plan – agriculture, energy, transport, critical raw materials and IT. Utilising the accession process to incentivise modernisation and stimulate inclusive economic growth can directly contribute to transformative rebuilding, as “building back better” will bring Ukraine closer to EU standards. Ukraine’s starting position in the accession negotiations is comparable to previous EU joiners. Its identified economic potential and demonstrated strengths, such as resilience and policy stability, point to Ukraine being able to undergo transformative rebuilding (Grieverson et al., 2023).

### **Enabling inclusive participation**

It has proven essential in other contexts and it is the international community’s ambition to organise recovery as an inclusive effort that takes into account the preferences of local governments, independent business associations and civil society (ISE, 2023). Analyses of the EU’s eastern enlargement have shown that the implementation of EU rules (beyond formal compliance with the EU *acquis*) needs a concerted effort by a whole range of different societal actors (Bruszt & Langbein, 2020).

However, both the recovery process and EU enlargement may unfold a top-down dynamic that bears the risk of the presidential administration or the government monopolising decision-making on setting priorities for implementation. Hence, the challenge is to ensure the long-term inclusive participation in both.

The Ukraine Plan states which stakeholders were included in its deliberations (business and business associations; NGOs; regional state bodies; parliamentary committees) or invited to give feedback. With regard to implementation and adjustments, it is important to create entry points so that these actors not only become recipients, but can continuously and effectively shape this process. It

is important not only to take needs assessments at the local level into account, but also to develop an asset map to systematise where the local strengths are in terms of human and financial capital. This will help to identify the strengths of local businesses, on the one hand, and instances where it is necessary to involve foreign companies or expertise, on the other, especially with a view to bringing recovery efforts in line with EU requirements (ZOiS, 2024). Such an approach follows the EU principle of subsidiarity articulated in Article 5 of the Treaty on European Union, according to which decisions should be taken at the level that is closest to the citizen, and where the Union does not take action. It corresponds with a continued emphasis on decentralisation and ensuring a balance of power in Ukraine. Local coalitions of actors are an important bridge between society and politics, across municipalities and between the municipal and national levels.

It will be important to form issue-specific coalitions among a variety of stakeholders and respective governance structures that allow these coalitions to implement (and adjust) the Ukraine Plan according to their needs and assets. For example, increasing the competitiveness of the Ukrainian economy and integrating it in European high-value chains is a key priority for recovery and also an important condition for meeting the economic EU accession criteria. Both the Ukraine Facility and the Ukraine Plan put emphasis on development of small and medium-sized enterprises in this respect. However, research on economic development shows that it needs coalitions of firms, research institutions, universities, vocational training institutions, regulatory bodies and investment agencies to achieve higher competitiveness and integration in high-value chains (Doner & Schneider, 2016). Such coalitions facilitate a pooling of resources and obtaining intimate knowledge about sectoral needs with regard to logistics, skills, technological know-how and marketing. Supporting the creation of such coalitions at the level of sectors and within or across different territorial units through the Ukraine Facility can play a key role in the building of promising sectors.



## **State and non-state capacities for managing EU accession and recovery efforts**

Previous cases of EU accession have demonstrated that a high degree of state and non-state capacity is needed on the part of the candidate country to handle the complex process (Hughes et al., 2004; Bruszt & Langbein, 2020). Conditionality tends to set out the end goal, but not all the steps towards this goal, leaving domestic actors to define the process.

Similarly, the success of a country's recovery efforts depends on the capacities of state and non-state actors to design, implement and monitor measures and to coordinate with international partners supporting recovery. Hence, it is evident that having sufficient capacities to efficiently and effectively spend the financial resources allocated by international partners ("absorption capacity") and to implement the agreed projects and programmes in line with the conditionalities set by external actors ("capacity to deliver") becomes an even bigger challenge when EU accession negotiations and recovery efforts are or will be implemented in an integrated manner.

Ukraine does not start from scratch. In the context of the Association Agreement and the Deep and Comprehensive Free Trade Area with the EU, Ukraine built up considerable administrative capacities, state and non-state, which are a key resource for managing the recovery process. At the same time, there are also strong regional differences in capacity between the east and south of Ukraine, and it is the case that the de-occupied areas will have capacity gaps and specific needs (Kochnev et al., 2023). Frontline cities and regions are most in need of recovery measures. Political negotiations will be required over where and when to rebuild, largely determined by internal migration and security considerations. Moreover, due to forced external migration, parts of the needed expertise is currently outside the country, and the longer the war lasts, the more difficult it will become to reconnect with this expertise. It will therefore be

important also to approach the issue of capacity and human capital from a transnational perspective, and develop the possibility for Ukrainians residing abroad to advance Ukraine's dual transformation process.

## **Coordination with other partners**

Whilst EU accession negotiations will solely involve the EU and the candidate country, Ukraine's recovery will be supported by the United States and many other non-EU member states, such as Norway, Switzerland and the UK. Hence, the EU needs to make sure that its coordination with the Ukrainian government on recovery systematically includes other international donors, as the latter will play an important role in political and financial support. In turn, the US and other donors need to be willing to coordinate with the EU. The multi-agency donor coordination platform set up in January 2023, associated with and created at the initiative of the G7 countries, alongside Ukraine and the EU Commission, needs to function as a hub for coordination between the EU and non-EU donors. The extension of membership beyond the G7 to the Republic of Korea, Netherlands, Norway and Sweden, and observer status to Denmark, Estonia, Latvia, Lithuania, Poland and Spain, is an important step in broadening the platform.

## **EU internal rifts**

Ukraine's recovery and accession to the EU are not equally supported by all EU member states, as demonstrated by the Hungarian Prime Minister Viktor Orban and the Slovakian Prime Minister Robert Fico. It is likely that the unanimity principle may be used by some EU member states to capture the accession process, as long as the closure of each chapter requires a unanimous vote. Protests by Polish and French farmers against grain imports from Ukraine indicate that there could also be protests against Ukraine's gradual integration into the EU single market. Ultimately, the extent to which these potential rifts within and among EU member states may affect the EU's support to Ukraine's recovery and its

accession path is an open question. At the Conference on Europe in November 2023, German Foreign Minister Annalena Baerbock proposed ideas for an “incremental integration” of EU accession candidates and for expanding areas in which decisions can be taken by qualified majority voting, including in foreign affairs (Federal Foreign Office, 2023). In any case, political will and joint leadership are needed to forge European unity in support of dovetailing the two processes. If recovery and EU accession remain closely intertwined, it will be harder to block the latter. Conversely, if reconstruction efforts become stalled, EU accession becomes a more uncertain prospect.

## Recommendations

**(1) Set priorities for EU accession negotiations and recovery efforts that reconcile short-term demands with long-term objectives.** Priority should be given to recovery measures that have a security-improving effect, focus on the basic needs of the population and are of critical importance to the functioning of the Ukrainian economy. A resilient and thriving economy is a precondition for the ability of the Ukrainian state and society to implement reforms necessary to meet EU standards. A priority in accession negotiations will be on the fundamentals: the rule of law, fundamental rights, and the strengthening of democratic institutions, including public administration reform. In addition, those chapters should be prioritised where progress on alignment with EU requirements can stimulate economic growth and increase the competitiveness of the Ukrainian economy in the five growth-enabling sectors identified in the Ukraine Plan: agriculture, energy, transport, critical raw materials and IT (see also Movchan et al., 2024). It will be important to balance short-term recovery needs, which cannot always be reconciled with EU standards, with longer-term initiatives that enable transformative rebuilding and thereby stimulate economic growth in the long run.

**(2) Promote society-wide Ukrainian ownership of the Ukraine Plan.** If the Ukraine Plan is to serve as the overall agenda for Ukraine’s recovery

in light of Ukraine’s path towards the EU, it will be important to uphold **broad public support and ownership**. Due to the **strong time pressure** under which the Ukraine Plan has been drafted by the Ukrainian government and coordinated with the European Commission, there is a risk that it will be perceived as something negotiated “behind closed doors” without *meaningful* input from Ukrainian civil society and other non-state actors. It is important that the **German and Ukrainian governments use their role as co-hosts of the 2024 Ukraine Recovery Conference to ensure Ukrainian local actors, independent business associations, experts and civil society have a strong voice** in the Ukraine Plan’s scrutiny, so that it can work for the wider Ukrainian society. Going beyond the URC, it will be important to **institutionalise this inclusive approach** by promoting the participation of issue-specific coalitions of different groups of actors in the actual implementation of the Ukraine Plan.

**(3) Engage international donors to support the Ukraine Plan.** The latter needs to be geared towards supporting the implementation of the Ukraine Facility and the support of key institutional reforms towards Ukraine’s EU accession. At the same time, the Ukraine Plan should also **allow for a wide range of donors to align themselves with its objectives and support key elements of Ukraine’s recovery**. For this, it might be necessary to frame the Ukraine Facility and the Ukraine Plan more broadly beyond being instruments in the context of EU–Ukraine relations. Focusing on shared interests in supporting Ukraine’s recovery in an effective manner, the **German government could serve as an important bridge-builder between EU and non-EU supporters of Ukraine’s recovery**. Germany has played a key role in the debate on the international support of Ukraine’s recovery since it co-organised, together with the European Commission, an international expert conference on Ukraine’s recovery during its G7 presidency. The focus should be on how non-EU donors could best contribute to the Ukraine Facility. The German government should also ensure a close coordi-

nation among EU member states on how to align their bilateral assistance to Ukraine with the overall goals of the Ukraine Plan.

**(4) Tailor technical assistance and capacity building programmes inside Ukraine and for the Ukrainian diaspora.** To strengthen state, administrative and non-state capacities, existing technical assistance and capacity-building programmes, should be reinforced, based on an **asset map** that systematises which assets (related to, e.g., infrastructure, public finance, industrial and commercial activities) could be, but are currently not being, fully realised or monetised, taking into account the different development strategies that have evolved at different levels of governance over the past months. Existing programmes can be used in order to help establish **issue-specific coalitions between a variety of stakeholders** needed to design and implement projects that help meet local needs, while being in line with the overall objectives of the Ukraine Facility and Ukraine Plan. This should be complemented by specific capacity-building initiatives for the Ukrainian diaspora in EU countries that aim to maintain or foster skills and expertise needed for recovery.

**(5) Prepare for intermediate steps in EU accession and reforming the enlargement methodology. There is a risk of negotiation delays and potential blockages** by individual EU member states, as the negotiations on the Ukraine Facility and on extending trade liberalisation measures for Ukraine have illustrated. Hence, EU institutions and member states should prepare for

**intermediate steps on the path to accession.**

This could include Ukraine's accelerated integration into parts of the EU Single Market through early participation in European value chains and a problem-solving mechanism for bilateral trade issues. Another long-standing internal EU reform issue that the new enlargement debate moved centre-stage is adapting the enlargement methodology once more by adopting qualified majority voting (QMV) for the opening and closing of negotiating chapters in the EU accession process (Emerson & Blockmans, 2023). The German government should continue to engage with other EU member states on this reform.

**(6) Encourage open and transparent dialogue on Ukraine's accession negotiations and recovery.** Neither EU accession nor recovery may be transparent processes, in which non-state actors can easily access information and uphold accountability. Moreover, there will be high expectations concerning both processes on the part of the Ukrainian population and in the EU. The link between EU accession and recovery – and how essential the success of both is for Ukraine and the EU's future – should be a strong element of tailored and targeted communication strategies in order to ensure support is maintained among Ukrainians and their international partners. These strategies should also create the space for open and transparent dialogue, so as to reinforce the promotion of society-wide ownership in Ukraine, both for the recovery and EU accession negotiations, not least in order to uphold the pressure for reforms.

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