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Ukraine's Recovery amid Russia's Invasion: The Case Study of the First Internationally-led Reconstruction Project

Valentyna ROMANOVA*

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Abstract

The paper explores the conditions for successful international engagement in Ukraine's recovery. It studies the first internationally-led reconstruction project, implemented during Russia's military invasion: the Estonia-funded kindergarten reconstruction project in the city of Ovruch. Two crucial conditions that enabled its success were Estonia's determination and Ukraine's local ownership. To mitigate military threats, Estonia manufactured the components of the kindergarten in Estonia. To promote accountability, it conducted most public procurements according to the EU rules. Estonia's determination helped to engage two more donors: Iceland and Flanders. In turn, Ukraine's local ownership was evidenced by its financial input and administrative support, required to align the project with both Ukrainian and EU norms.

Keywords: International aid, Reconstruction, Ukraine, Estonia

* Researcher, Government Study Group, Inter-disciplinary Studies Center, IDE (Valentyna_Romanova@ide.go.jp)

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INSTITUTE OF DEVELOPING ECONOMIES (IDE), JETRO
3-2-2, WAKABA, MIHAMA-KU, CHIBA-SHI
CHIBA 261-8545, JAPAN

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1. Introduction

There is a consensus among scholars and policymakers that Ukraine's reconstruction requires joint domestic and international input.¹ The reason is that the scope of damage² caused by Russia's war of aggression exceeds Ukraine's capacity to recovery on its own, especially in line with the Build Back Better principle.³

The emerging literature on Ukraine's reconstruction – reports, policy papers, and policy briefs – discusses international engagement from two main angles.⁴ First, it outlines principles and pillars that can make international input into Ukraine's reconstruction successful.⁵ These principles include but are not limited to aligning international reconstruction aid with EU pre-accession support for Ukraine; ensuring that Ukraine owns its reconstruction plan; coordinating donors' input via a multi-donor platform; promoting transparency and accountability of international aid; engaging foreign private business, on the side of international community, and Ukraine's sub-national authorities, on the side of the recipient, in the country's recovery. Second, the existing literature seeks

¹ Julian Bergmann and Iulian Romanyshyn, "Rebuilding Ukraine: How the EU Should Support Ukraine's Reconstruction and Recovery", *German Institute of Development and Sustainability (IDOS)*, Policy Brief 6, 2022, https://www.idos-research.de/uploads/media/PB_6.2022.pdf; Erik Berglöf and Vladyslav Rashkovan, "Reconstructing and Reforming Ukraine," *LSE Public Policy Review*, Volume 3, Issue 1, 2023, pp. 1-18, <https://ppr.lse.ac.uk/articles/10.31389/lseppr.95>; Yuriy Gorodnichenko and Serhiy Stepanchuk (eds.), *Ukraine's Road to Recovery* (Universities UK International, 2023), <https://www.universitiesuk.ac.uk/sites/default/files/field/downloads/2023-07/UkraineRecoveryReport.pdf>; Yuriy Gorodnichenko, Ilona Sologoub and Beatrice Weder di Mauro (eds.), *Rebuilding Ukraine: Principles and Policies* (CEPR Press, 2022). https://cepr.org/system/files/publication-files/178114-paris_report_1_rebuilding_ukraine_principles_and_policies.pdf; Torbjörn Becker, Barry Eichengreen, Yuriy Gorodnichenko, Sergei Guriev, Simon Johnson, Tymofiy Mylovanov, Kenneth Rogoff, Beatrice Weder di Mauro, *A Blueprint for the Reconstruction of Ukraine* (CEPR Press, 2022), https://cepr.org/system/files/publication-files/147614-a_blueprint_for_the_reconstruction_of_ukraine.pdf

² World Bank, *Ukraine Rapid Damage and Needs Assessment* (World Bank: Washington DC, 2022).

³ The Build Back Better principle was first introduced in the following report: Clinton W., "Lessons learned from tsunami recovery: key propositions for building back better," Office of the UN Secretary-General's Special Envoy for Tsunami Recovery, New York, 2006. <https://reliefweb.int/report/thailand/lessons-learned-tsunami-recovery-key-propositions-building-back-better>

The principle implies that the conflict affected states do not mechanically reproduce each damaged or destroyed unit, but reconstruct infrastructure, municipalities, and countries in a way that makes them more resilient and, broadly speaking, more sustainable.

⁴ i.e. Drew Marcantonio, John Katsos and Jason Miklian, "How We Can Truly Build Back Better in Ukraine", *Global Policy*, 26 June 2023, <https://www.globalpolicyjournal.com/blog/26/06/2023/how-we-can-truly-build-back-better-ukraine>; Konstantin Fastovets and Konstantin Yakunenko, "Ukraine's post-war recovery: Preventing failure and focusing on the people, Adamant Capital, 23 June 2022, https://adamant-capital.com/wp-content/uploads/2022/06/Adamant_Capital_Ukraine_Post_War_Recovery_ENG.pdf; Anna Babych, "Ukraine: how to "build back better"?" *International Bar Association*, 11 June 2023, <https://www.ibanet.org/Ukraine-how-to-build-back-better>

⁵ i.e. "Strategies for Ukraine January 2023", European Investment Bank, January 2023, <https://media-publications.bcg.com/Supporting-Ukraine-Potential-Recovery-Strategies-Feb-2023.pdf>; "Build Forward: NGO recommendations on Ukraine recovery and reconstruction", *RISE Ukraine and Save the Children*, June 2023, <https://reliefweb.int/report/ukraine/build-forward-ngo-recommendations-ukraine-recovery-and-reconstruction-june-2023>; Sascha Ostanina, "Winning the Peace in Ukraine: Stimulating private investment for Ukraine's reconstruction", Hertie School Jacques Delors Centre, 2023, <https://www.delorscentre.eu/en/publications/winning-the-peace-in-ukraine>; Romina Bandura, "Eight Recommendations to Reconstruct and Modernize Ukraine", *EconPol Forum* 24 (2), 10-15, <https://www.cesifo.org/DocDL/econpol-forum-2023-2-bandura-recommendations-reconstruct.pdf>

to learn from the cases of international engagement in previous reconstruction efforts around the globe,⁶ i.e. in Afghanistan, Bosnia and Herzegovina, Iraq, but most notably the Marshall Plan⁷ of the U.S. for post-war Europe. Taken together, these two directions of research seek to identify the conditions that can enhance the likelihood of successful international engagement into Ukraine's post-war reconstruction.

Russian military invasion prevents large-scale international engagement in the country's restoration. Security indeed matters a lot.⁸ As Fitch Solutions suggests, "the intensity of the conflict will be the principal determinant of the pace of recovery."⁹ However, the existing literature discusses other potential obstacles for effective international engagement. International engagement in reconstruction elsewhere¹⁰ suffered not only due to security matters. When it comes to Ukraine, its high corruption perception rate is a matter of major concern.¹¹ On the bright side, Ukraine's pre-war decentralization

⁶ Tetiana Bogdan and Branimir Jovanović, "Public Expenditure and Tax Policy for the Post-War Reconstruction of Ukraine", *The Vienna Institute for International Economic Studies*, June 2023, pp. 11-12, <https://wiiw.ac.at/public-expenditure-and-tax-policy-for-the-post-war-reconstruction-of-ukraine-dlp-6573.pdf>

⁷ Maria Perrotta Berlin, "The Reconstruction of Ukraine: Historical Parallels and the Role of the EU", *SCEEUS Report Series on Ukrainian Domestic Affairs*, No. 3, <https://sceeu.se/en/publications/the-reconstruction-of-ukraine-historical-parallels-and-the-role-of-the-eu/>

⁸ Maria Shagina, "Ukraine's reconstruction will depend on security guarantees", *International Institute for Security Studies*, June 2023, <https://www.iiss.org/online-analysis/online-analysis/2023/06/ukraines-reconstruction-will-depend-on-security-guarantees/>

⁹ "Reforming And Rebuilding: The Path That Ukraine's Reconstruction Will Follow," BMI Country Risk & Industry Research - Fitch Solutions Company, 22 August 2023, p. 1.

¹⁰ Jacob Kirkegaard, "Lessons from the past for Ukrainian recovery: A Marshall Plan for Ukraine", *Peterson Institute for International Economics*, 26 April 2023, <https://www.piie.com/commentary/testimonies/lessons-past-ukrainian-recovery-marshall-plan-ukraine;> David Wessel and Elijah Asdourian, "What lessons do past international efforts at rebuilding war-torn countries hold for organizing the reconstruction of Ukraine?" *Brookings*, 19 December 2022, <https://www.brookings.edu/articles/what-lessons-do-past-international-efforts-at-rebuilding-war-torn-countries-hold-for-organizing-the-reconstruction-of-ukraine/>

¹¹ Michael Richter, "'Call the Bluff' or 'Build Back Better'—Anti-corruption reforms in post-war Ukraine", *Global Policy*, Volume 14, Issue 4, 2023, pp. 611-622, [https://onlinelibrary.wiley.com/doi/full/10.1111/1758-5899.13251;](https://onlinelibrary.wiley.com/doi/full/10.1111/1758-5899.13251) Silvia Samorè, "Post-conflict Reconstruction in Ukraine: Challenges and Opportunities", *The International Spectator*, 4 July 2023, <https://www.iai.it/en/pubblicazioni/post-conflict-reconstruction-ukraine-challenges-and-opportunities;> Nell Todd and Joe Mariani, "The reconstruction of Ukraine: Historical lessons for postwar reconstruction of Ukraine", *Deloitte Insights*, 11 October 2022, <https://www2.deloitte.com/xe/en/insights/industry/public-sector/ukraine-reconstruction-plan.html>

arrangements¹² and the newly opened EU accession negotiations¹³ are expected to positively affect internationally-led reconstruction.

The emerging literature on Ukraine's reconstruction is very valuable, but it is often normative rather than empirical (with some notable exceptions¹⁴), especially when it comes to international engagement in the country's recovery. The analysis of the actual efforts and deliverables of international engagement has been largely missing.

This paper seeks to start bridging this gap: It addresses a practical research problem and aims at exploring whether and how international engagement in Ukraine's reconstruction can succeed in practice, taking Russia's military aggression into account.

This study aims at contributing to literature in two ways. First, it presents empirical research results of the completed internationally-led reconstruction project in Ukraine. I believe that data-driven research results on international input into Ukraine's recovery add important detail and texture to the existing literature, which often lacks qualitative research results. The second contribution is based on the research design of this study. This research applied the method of extreme sampling – the method that generates research results, which meet the external validity criterion; therefore, it is methodologically correct to generalize the results of this study and draw practical lessons from it.

In the next section, I outline my data and methods. Then I present the background of international engagement in aiding Ukraine during the war. The following section is dedicated to presenting my analysis: first, I analyze the process of goal setting – how the lead donor decided to engage into Ukraine's reconstruction despite Russia's military threats; second, I identify and analyze the stages and the most important factors that shaped the successful implementation of the internationally-led reconstruction project. In the final section, I conclude and discuss my findings.

2. Data and Methods

Given that the issue of Ukraine's reconstruction has come to the fore only recently, it is appropriate to conduct exploratory research, which “make[s] a tentative first analysis of

¹² OECD, *Rebuilding Ukraine by Reinforcing Regional and Municipal Governance* (Paris: OECD Publishing 2023), https://www.oecd-ilibrary.org/urban-rural-and-regional-development/rebuilding-ukraine-by-reinforcing-regional-and-municipal-governance_63a6b479-en; OECD, *Turning to regions and local governments to rebuild Ukraine* (Paris: OECD Publishing 2022), https://www.oecd-ilibrary.org/economics/turning-to-regions-and-local-governments-to-rebuild-ukraine_9510f490-en; Natalya Martynovych, Elina Boichenko and Maryna Dielini, “Rebuilding of Ukraine After War: Special Restoration Regimes and Stimulation of Sustainable Development of Territories”, *International Review for Spatial Planning and Sustainable Development*, Volume 11, Issue 4, 2023, pp. 54-70, https://www.jstage.jst.go.jp/article/irspds/11/4/11_4/_html/-char/en

¹³ Marie Dumoulin, Lykke Friis, Gustav Gressel and Leo Litra, “Sustain and prosper: How Europeans can support Ukraine”, *European Council on Foreign Relations*, 11 October 2023, <https://ecfr.eu/publication/sustain-and-prosper-how-europeans-can-support-ukraine/>.

¹⁴ i.e. Maryna Tverdostup, “The Demographic Challenges to Ukraine's Economic Reconstruction”, *The Vienna Institute for International Economic Studies*, July 2023, <https://wiiw.ac.at/the-demographic-challenges-to-ukraine-s-economic-reconstruction-dlp-6620.pdf>; Iryna Kosse, “Rebuilding Ukraine's Infrastructure after the War,” *The Vienna Institute for International Economic Studies*, July 2023, <https://wiiw.ac.at/rebuilding-ukraine-s-infrastructure-after-the-war-dlp-6621.pdf>.

a new topic.”¹⁵ I choose a research strategy of a case study, which is aimed at producing detailed empirically-based knowledge about international engagement in Ukraine’s reconstruction. My case study is exploratory.¹⁶ I employ the method of extreme sampling, which requires selecting and exploring an atypical, unusual case. I use this method for the following reasons. If an atypical case is successful, it signals that typical cases are likely to succeed, too. The method of extreme sampling produces research results that are relevant for improving typical cases. It is methodologically correct to draw lessons from it and generalize. Usually, case studies suffer from limited external validity; thus, research results of a case study, especially based on one unit of analysis, cannot be easily generalized to other cases. But it is methodologically correct to draw lessons from a case study, which is based on the research method of extreme sampling. “The logic of extreme case sampling is that lessons may be learned about unusual conditions or extreme outcomes that are relevant to improving more typical programs.”¹⁷

I study the first internationally-led reconstruction project, launched and implemented in Ukraine amid Russia’s military invasion. This case is atypical because launching and implementing an internationally-led reconstruction project during Russia’s war against Ukraine is unusual. The reconstruction project that I study required building a wooden modular kindergarten with solar panels, modern equipment, and concrete bomb shelter in the city of Ovruch in Ukraine. The Ovruch kindergarten reconstruction project was nearly fully covered by the lead donor: Estonia. Additionally, Estonia engaged two partner donors: Iceland (the Ministry of Foreign Affairs of Iceland) and Flanders (the Government of Flanders). The recipient was the Ovruch municipal council in Ukraine. The project was officially launched in mid-July 2022 and completed by 1 June 2023; preparatory work by the lead donor and the recipient started in April-May 2022.

To conduct this case study, I collected data via desk research and interviews. Using more than one source of data is beneficial for cross-check research findings.¹⁸ With respect to desk research, I collected material related to the Ovruch kindergarten reconstruction project from primary and secondary sources: official statements and posts made by the lead donor, partner donors, and the recipient; two official Estonia-Ukraine forums which brought the Ovruch kindergarten reconstruction project to the fore; articles and stakeholders’ interviews in media. Also, I conducted seven Internet-based interviews with the key international and domestic stakeholders, whom I selected based on the purposive sampling strategy. I used electronic research methods: conducted one asynchronous interview by email and six synchronous 30-60 minutes long interviews via internet video

¹⁵ Richard Swedberg, Exploratory research. In: Colin Elman et al (eds) *The Production of Knowledge* (Cambridge: Cambridge University Press 2020), pp. 17 – 41.

¹⁶ Robert Yin, *Case study research and applications: Design and methods* (6th ed.). (SAGE Publications 2014).

Priya Arya, “Case Study Methodology of Qualitative Research: Key Attributes and Navigating the Conundrums in Its Application”, *Sociological Bulletin*, Volume 70, Issue 1, 2021, pp. 94-110.

¹⁷ Michael Patton, *Qualitative Evaluation and Research Methods* (Beverly Hills, CA: Sage, 1990), p. 170, <https://legacy.oise.utoronto.ca/research/field-centres/ross/ctl1014/Patton1990.pdf>

¹⁸ Alan Bryman, *Social research methods* (3rd ed.) (New York: Oxford University Press, 2008), p. 700.

calls (online interviews).¹⁹ I considered using electronic research methods, because I agree with those scholars who argue that they are valuable methods on their own merits²⁰ and are not less useful than traditional research methods.²¹ In terms of advantages, they are helpful for interviewees, when in-person meetings are impossible, i.e. due to the lack of opportunities to travel; they can be handy for those interviewees who are otherwise difficult to reach.²² On the other hand, Internet-based qualitative research methods make it difficult to collect data based on a full scope of body language cues and limit the use of observations methods on a broad scale. I decided to use electronic research methods because they help me achieve the objective of my case study and because my research is not sensitive to the limitations, which are associated with Internet-based qualitative research methods.

In advance of conducting interviews, I analyzed data, collected with the help of desk research: I sketched the input of the lead donor and the partner donors in the reconstruction project, mapped the phases of project implementation, and listed those issues that could potentially help or harm project implementation. When conducting interviews, I used the strategy of discovering questions, in line with the typology of Spradley, with a special emphasis on example questions – specific questions that open the floor for sharing specific experiences and insights.²³ This strategy helped me to specify the conditions that enabled the project's success.

My analytical framework of a goal-attainment model of evaluation, or effectiveness model.²⁴ First, I studied how the lead donor identified the goal of its: the expected international input. Second, I scrutinized whether and how the goal was achieved and what factors led to its accomplishment. In this case-study, intervention means international contribution – the contribution of the lead donor and the partner donors – to reconstructing the kindergarten in the city of Ovruch in Ukraine during Russia's military aggression.

3. Background

In this section, I present the context of my research.

Russia's military invasion remains the core obstacle for large-scale international aid for the benefit of Ukraine's recovery. As the Dutch Minister for Foreign Trade and Development Cooperation Liesje Schreinemacher stated at the Ukraine Recovery and Reconstruction Conference held in the Hague on October 19, 2022: "It is vital [for

¹⁹ I use this terminology, in line with the categorization of electronic research methods found in: Lokman Meho, "E-Mail Interviewing in Qualitative Research: A Methodological Discussion", *Journal of the American Society for Information Science and Technology*, Volume 57, Issue 10, 2006, pp. 1284-1295.

²⁰ Emma Dahlin, "Email Interviews: A Guide to Research Design and Implementation", *International Journal of Qualitative Methods*, Volume 20, 2021, pp. 1-10.

²¹ Susie Weller, "Using internet video calls in qualitative (longitudinal) interviews: Some implications for rapport", *International Journal of Social Research Methodology*, Volume 20, Issue 6, 2016, pp. 613-625.

²² Bojana Lobe, David Morgan, and Kim A. Hoffman, "Qualitative Data Collection in an Era of Social Distancing", *International Journal of Qualitative Methods*, Volume 19, 2020, pp. 1-8.

²³ James Spradley, *The ethnographic interview* (New York: Rinehart & Winston, 1979).

²⁴ Eduardo, Araral, Scott Fritzen, Michael Howlett, M Ramesh and Xun Wu (eds) *Routledge Handbook of Public Policy* (Abingdon: Routledge, 2012).

international community] to start rebuilding the country [Ukraine] as soon as possible. But right now the possibilities for reconstruction activities are very limited.”²⁵ The fact that Russia continues attacking Ukraine complicates international engagement in the country’s restoration and gives incentives to international partners to prioritize military and humanitarian support.

Ukraine's Deputy Prime Minister for Restoration of Ukraine - Minister for Communities, Territories and Infrastructure Development Oleksandr Kubrakov specifies that in 2022 Ukraine was short of international aid, dedicated to reconstruction; however, there were more opportunities for international engagement in the country’s recovery in 2023.²⁶ According to the Kiel Institute report, “[international commitments of donations] spiked in the weeks after the full-scale invasion, but then new pledges declined strongly - dropping to almost to zero in the summer [of 2022].”²⁷ On December 7, 2023, the Kiel Institute opened to public its comprehensive dataset dedicated to donors’ aid commitments²⁸ to Ukraine in 2022-2023. The dataset reveals that in October 31, 2023 total government-to-government aid commitments to Ukraine corresponded to EUR 241.79 billion; however, in January - October 2023, total bilateral aid commitments of donors to Ukraine decreased in comparison to total bilateral aid commitments of donors to Ukraine in January - December 2022 (see Table 1). This dynamic is alarming, especially given that "the support to Ukraine is comparatively small compared to the cost of wars [in Korea, Vietnam, Afghanistan, and Iraq], both when counting number of heavy weapons sent or when measured in percent of donor GDP (as yearly averages).”²⁹

Table 1. Total government-to-government aid commitments to Ukraine across donors in 2022-2023.

	January - December 2022, € billion	January - October 2023, € billion	January 2022 – October 2023, € billion

²⁵ Liesje Schreinemacher, Speech at the Ukraine Recovery and Reconstruction Conference, the Hague, 19 October 2022, <https://www.government.nl/documents/speeches/2022/10/19/speech-minister-for-foreign-trade-and-development-cooperation-at-the-ukraine-recovery-and-reconstruction-conference>

²⁶ "Survival" projects. What Mustafa Nayem's Reconstruction Agency does — money, goals, and thousands of new facilities after the war', Interview of Oleksandr Kubrakov", *NV.ua*, 4 May 2023, <https://biz.nv.ua/ukr/economics/agentstvo-vidnovlennya-ukrajini-yak-pracyuye-finansuvannya-strategiya-komanda-50321999.html>

²⁷ Christoph Trebesch, Arianna Antezza, Katelyn Bushnell, André Frank, Pascal Frank, Lukas Franz, Ivan Kharitonov, Bharath Kumar, Ekaterina Rebinskaya and Stefan Schramm, 'The Ukraine Support Tracker: Which countries help Ukraine and how?' Kiel Working Paper No. 2218, Kiel Institute, 2023, p. 2, https://www.ifw-kiel.de/fileadmin/Dateiverwaltung/IfW-Publications/fis-import/KWP_2218_Trebesch_et_al_Ukraine_Support_Tracker.pdf

²⁸ In its report, the Kiel Institute acknowledges that reliable information on deliveries is limited. My own attempts to collect accurate data on the deliveries of international aid to Ukraine were successful only partially. I acknowledge that commitments and deliveries can differ a lot.

²⁹ Christoph Trebesch, Arianna Antezza, Katelyn Bushnell, André Frank, Pascal Frank, Lukas Franz, Ivan Kharitonov, Bharath Kumar, Ekaterina Rebinskaya and Stefan Schramm, 'The Ukraine Support Tracker: Which countries help Ukraine and how?' Kiel Working Paper No. 2218, Kiel Institute, 2023, p. 3, https://www.ifw-kiel.de/fileadmin/Dateiverwaltung/IfW-Publications/fis-import/KWP_2218_Trebesch_et_al_Ukraine_Support_Tracker.pdf

Total bilateral commitments, including:	138.17	103.19	241.79
<i>Financial</i>	<i>64.35</i>	<i>63.53</i>	<i>127.88</i>
<i>Humanitarian</i>	<i>9.54</i>	<i>6.05</i>	<i>15.77</i>
<i>Military</i>	<i>64.29</i>	<i>33.61</i>	<i>98.14</i>

Source: Christoph Trebesch, Arianna Antezza, Katelyn Bushnell, Pietro Bomprezzi, Yelmurat Dyussimbinov, Andre Frank, Pascal Frank, Lukas Franz, Ivan Kharitonov, Bharath Kumar, Ekaterina Rebinskaya, Christopher Schade, Stefan Schramm & Leon Weiser (2023). "The Ukraine Support Tracker: Which countries help Ukraine and how?" Kiel Working Paper, No. 2218, 1-75.

As can be seen in Table 2, EU members and institutions gave the lion's share of bilateral aid commitments to support Ukraine: EUR 133.51 billion. Notably, the share of their commitments is nearly twice as large as the share the U.S. (EUR 71.38 billion) and nearly four times as large as the share of all other donors (EUR 36.90 billion).

Table 2. The bilateral commitments of EU members and institutions to Ukraine in January 2022 – October 2023.

	Financial aid commitments	Humanitarian aid commitments	Military aid commitments	Total bilateral aid commitments
	€ billion	€ billion	€ billion	€ billion
EU members and institutions, including:	83.7	8.4	41.4	133.5
<i>EU members</i>	<i>6.6</i>	<i>6.2</i>	<i>35.8</i>	<i>48.6</i>
<i>EU institutions</i>	<i>77.14</i>	<i>2.14</i>	<i>5.60</i>	<i>84.88</i>

Source: Christoph Trebesch, Arianna Antezza, Katelyn Bushnell, Pietro Bomprezzi, Yelmurat Dyussimbinov, Andre Frank, Pascal Frank, Lukas Franz, Ivan Kharitonov, Bharath Kumar, Ekaterina Rebinskaya, Christopher Schade, Stefan Schramm & Leon Weiser (2023). "The Ukraine Support Tracker: Which countries help Ukraine and how?" Kiel Working Paper, No. 2218, 1-75.

The bilateral commitments of Japan to Ukraine deserve special attention. Due to its pacifist constitution, Japan provided very modest military support to Ukraine, when compared to the rest, i.e. other G7 countries (see Table 3). However, only two other G7 countries made more significant financial and humanitarian aid commitments to Ukraine than Japan in January 2022 – October 2023 (see Table 3). It is striking that the financial aid commitments of Japan to Ukraine (EUR 5.75 billion) are only slightly lower than the financial aid commitments of all EU member-states to Ukraine (EUR 6.6 billion). Moreover, the humanitarian aid commitments of EU institutions to Ukraine (EUR 2.14 billion) are only twice as large as the ones of Japan (EUR 1.04 billion) in this period of time. Given that on December 6, 2023 Japanese Prime Minister Fumio Kishida

announced USD 1 billion (EUR 0.93 billion) of humanitarian aid to Ukraine, Japan and EU institutions appear to commit comparable humanitarian aid to Ukraine at the period under study.

Table 3. The bilateral commitments of G7 countries to Ukraine in January 2022 – October 2023.

G7 countries, listed in alphabetical order	Financial aid commitments	Humanitarian aid commitments	Military aid commitments	Total bilateral commitments
	€ billion	€ billion	€ billion	€ billion
Canada	3.47	0.37	2.11	5.95
France	0.80	0.36	0.54	1.71
Germany	1.41	2.42	17.13	20.96
Italy	0.41	0.22	0.69	1.32
Japan	5.75	1.04	0.03	6.81
United Kingdom	6.10	0.60	6.57	13.27
United States	24.96	2.56	43.86	71.38

Source: Compiled by the author based on: Christoph Trebesch, Arianna Antezza, Katelyn Bushnell, Pietro Bompreszi, Yelmurat Dyussimbinov, Andre Frank, Pascal Frank, Lukas Franz, Ivan Kharitonov, Bharath Kumar, Ekaterina Rebinskaya, Christopher Schade, Stefan Schramm & Leon Weiser (2023). "The Ukraine Support Tracker: Which countries help Ukraine and how?" Kiel Working Paper, No. 2218, 1-75.

A few international donor conferences (Ukraine Recover Conferences), held in 2022 and 2023, highlighted the shortage of public funding to address Ukraine's recovery needs.³⁰ The Ukraine Recovery Conference, hosted in London in June 2023, explicitly called for private business to engage in Ukraine's reconstruction. In turn, private business is concerned about investing in Ukraine's recovery while the country is under attack by the Russian Army. As Timothy Ash explains, "the private sector tends to follow governments in countries coming out of conflict, rather than lead... We should not assume that the private sector will easily fill the void left by a reluctance of Western taxpayers to pay, or legal constraints in using frozen Russian assets."³¹

It would be naïve to take the increase of international aid for granted. This paper explores what conditions enable fruitful international engagement in Ukraine's reconstruction.

³⁰ The major conferences were held in Warsaw (Poland) in May 2022, Lugano (Switzerland) in June 2022, Berlin (Germany) in October 2022, Paris (France) in December 2022, and London (UK) in June 2023.

³¹ Timothy Ash, "Ukraine Recovery and Reconstruction - A Project Too Important to Fail", Stockholm Conference on Private Sector Engagement in Ukraine's Recovery and Reconstruction, Input paper No. 3, [input-paper-no.-3.pdf](https://hhs.se/input-paper-no.-3.pdf) (hhs.se).

4. Analysis and Research Results

In this section, I present my analysis in line with my analytical framework. First, I examine the process of goal setting. Second, I identify the main stage of project implementation and the core factors that enabled the success of the internationally-led reconstruction project.

4.1. Joint goal-setting by the lead donor and the recipient

Estonia's decision to aid Ukraine's reconstruction

Estonia – the lead donor within the project under study – formalized its commitment to carry out the Ovruch kindergarten reconstruction project in mid-July 2022.³² This was unusual. Russia's military invasion was ongoing, and potential foreign investment in Ukraine's recovery faced obvious risks. By April 6, 2022, Russian troops were forced to retreat from the occupied territories around Ukraine's capital, Kyiv, and from other northern regions. However, they multiplied their attacks on the east and the south of Ukraine and kept attacking the country with missiles. The humanitarian crisis caused by Russia's invasion was so devastating that approximately seven million people crossed the border of the country by Summer 2022.

The Ministry of Foreign Affairs of Estonia acknowledged that Russia's military aggression was a big challenge for the internationally-led restoration of Ukraine.³³ Yet, Estonian stakeholders had good reasons to believe that advancing Ukraine's capacity to recover was vital for the security of Europe and corresponded to Estonia's national interests. Estonia's leadership had no doubts that leaving Ukraine in ruins, when under attack, could encourage the aggressor to threaten other neighbors. Estonia had been warning about Russia's aggressiveness for a long time,³⁴ and its concerns proved to be true when Russia openly attacked Ukraine and deliberately caused large-scale devastation throughout the country. Estonia was among the first countries to condemn Russia's military invasion and offer its support to Ukraine. It scaled up its aid when Ukraine needed it the most. As of 15 January 2023, Estonia had the highest bilateral commitments to Ukraine in percent of donor country GDP.³⁵ It provided Ukraine with defense assistance, worth more than 1% of its GDP.³⁶ Largely due to its aid to Ukraine, Estonia increased its overall Official Development Assistance from 0.16% of its GNP in 2021 to 0.54% of its

³² Anjelika Nesterchuk and Tamila Budko, "In Ovruch, Zhytomyr region, the first stage of the construction of a kindergarten is being completed with funding from the Estonian government," *Suspilne Novyny*, 25 May 2023, <https://suspilne.media/487261-v-ovruci-na-zitomirsinizaversuut-persu-cergu-budivnictvaditsadka-za-finansuvanna-uradu-estonii/>

³³ The author's online interview with Director General Department for Development Cooperation and Humanitarian Aid, Ministry of Foreign Affairs of Estonia Kairi Saar-Isop on 21 July 2023; the author's online interview with the Ambassador of Estonia to Ukraine Kaimo Kuusk on 6 July 2023.

³⁴ Estonian Foreign Intelligence Service, *International Security and Estonia* (Tallinn: Government of Estonia, 2019), <https://www.valisluureamet.ee/doc/raport/2019-en.pdf>

³⁵ Christoph Trebesch, Arianna Antezza, Katelyn Bushnell, André Frank, Pascal Frank, Lukas Franz, Ivan Kharitonov, Bharath Kumar, Ekaterina Rebinskaya and Stefan Schramm, "The Ukraine Support Tracker: Which countries help Ukraine and how?" Kiel Working Paper No. 2218, Kiel Institute, 2023, p. 27, https://www.ifw-kiel.de/fileadmin/Dateiverwaltung/IfW-Publications/fis-import/KWP_2218_Trebesch_et_al_Ukraine_Support_Tracker.pdf

³⁶ "Estonia's Aid to Ukraine", Ministry of Foreign Affairs of Estonia, <https://vm.ee/en/estonias-aid-ukraine>

GNP in 2022. Notably, Estonia's support was path-dependent: Ukraine was the first recipient of Estonia's development aid and one of Estonia's priorities within the Eastern Partnership countries. Also, Estonia had prepared and followed a specific development cooperation strategy for Ukraine.³⁷ As Kairi Saar-Isop, Director General of the Department for Development Cooperation and Humanitarian Aid, Ministry of Foreign Affairs of Estonia highlighted: "We [Estonia and Ukraine] had quite a long track record already, and quite good experiences, so it made it really easy for us to step in [in 2022]."³⁸ Taken together, these factors enabled Estonia's determination to start aiding Ukraine's recovery as early as possible.

Addressing Ukraine's initiative of international "patronage" over reconstructing its territories

Once Estonia's leadership made a political decision to engage in Ukraine's reconstruction, it had to select an appropriate mechanism. It is telling that Estonia joined Ukraine's initiative of international "patronage" over reconstructing its territories. As early as in March 2022, Ukraine's leadership specified how exactly international partners could support the country's restoration: President Volodymyr Zelensky suggested international partners to choose a region or a municipality and support its recovery.³⁹ Zelensky's initiative was labeled as international "patronage" over the reconstruction of Ukraine's territories.

Estonia had no concerns about becoming the first international "patron" of a region in Ukraine and appreciated that Zelensky's initiative made reconstruction efforts territorially bounded. Given the relatively modest size of Estonia in terms of both geography and development aid budget, regional 'patronage' simplified the task of starting up reconstruction activities in Ukraine. As Kairi Saar-Isop, Director General of the Department for Development Cooperation and Humanitarian Aid, Ministry of Foreign Affairs of Estonia emphasized: "I think that even if your president hadn't made that call [Zelensky's address to foreign partners to join his "patronage" initiative], probably at some point in time we might have realized ourselves that we need to focus on a region."⁴⁰ There was one more reason why this framework made perfect sense for the Estonian stakeholders. The initiative of international "patronage" over reconstructing its territories meant that "one foreign country could become a region's patron, but it could invite other foreign countries to join in."⁴¹ As the Estonian stakeholders acknowledged, "we cannot do all 15 objects [in the Zhytomyr region]. Maybe we can do two or three. So we need to

³⁷ "Development Cooperation", Ministry of Foreign Affairs of Estonia, <https://www.vm.ee/en/development-cooperation#ukraine>

³⁸ The author's online interview with Director General Department for Development Cooperation and Humanitarian Aid, Ministry of Foreign Affairs of Estonia Kairi Saar-Isop on 21 July 2023.

³⁹ Speech of President Volodymyr Zelensky at the International High-Level Donor Conference in Support of Ukraine in Warsaw, 5 May 2022, <https://www.president.gov.ua/news/vistup-prezidenta-volodimira-zelenskogo-na-mizhnarodnij-dono-74793>

⁴⁰ The author's online interview with Director General Department for Development Cooperation and Humanitarian Aid, Ministry of Foreign Affairs of Estonia Kairi Saar-Isop on 21 July 2023.

⁴¹ The author's online interview with the head of Ukraine's parliamentary group on inter-parliamentary relations with Estonia and the chair of the Zhytomyr regional branch of Zelensky's party "Servant of the People" Arseny Pushkarenko on 18 July 2023.

involve others as well, other countries, other donors."⁴²

Thus, apart from Estonia's own determination to support Ukraine, the recipient's context-specific initiative regarding the preferred format of international support was helpful.

Estonia's selection of a partner region in Ukraine

Once Estonia decided to become a "patron", it quickly proceeded to the selection of a partner among Ukraine's regions.

Notably, Estonia did not have to search for domestic stakeholders in charge of the "patronage" initiative. Instead, Ukraine's authorities reached out to potential donors. Centrally appointed regional governors were especially proactive, because President Zelensky and Prime Minister Shmyhal tasked them to take the lead and make the most out of those networks with international partners, which they had already established.⁴³ In order to cope with this duty, regional governors had to carry out needs assessment, identify the objects that required reconstruction, and approach foreign embassies with their specific proposals. Zelensky's "patronage" initiative granted notable autonomy to regional governors: they cooperated with local authorities, but did not have to coordinate their requests with the central government. As the Estonian Ambassador to Ukraine Kaimo Kuusk put it, "If Zelensky already said "pick the oblast", then it was the guideline for everybody that we don't need to go to the Prime Minister and ask how we pick this oblast. They [sub-national authorities] were in charge of this."⁴⁴ At that point, Estonia was familiar with the capacities of Ukraine's subnational stakeholders, because it had experience of cooperating with them prior to Russia's large-scale invasion. Estonia supported Ukraine's pre-war decentralisation and was one of the contributors to the EU-led "U-LEAD" program, aimed at fostering the reform.

Having evaluated a few proposals from regional governors, Estonia selected the Zhytomyr region as its partner. The awareness about the recovery needs of the Zhytomyr region among the Estonian top-level stakeholders contributed to their decision; Ukrainian central authorities supported the Zhytomyr regional governor's efforts to approach Estonia in the following way. In mid-April 2022 a group of Ukrainian MPs, including the head of Ukraine's parliamentary group on inter-parliamentary relations with Estonia and, simultaneously, the chair of the Zhytomyr regional branch of Zelensky's party "Servant of the People" Arseny Pushkarenko, held meetings with Estonia's top leadership: president, prime minister, parliamentary speaker, foreign affairs minister, and a few other government officials. The group proactively promoted Zelensky's "patronage" initiative and paid special attention to the Zhytomyr region. In mid-May 2022 the Zhytomyr regional governor Vitaly Bunechko joined the Ukrainian delegation to Tallinn and handled his proposal of restoring the Zhytomyr region to the Government of Estonia.⁴⁵ "His proposal reflected the joint efforts the Zhytomyr regional military administration and

⁴² The author's online interview with the Ambassador of Estonia to Ukraine Kaimo Kuusk on 6 July 2023.

⁴³ "Prime Minister: We plan to sign memoranda with partner countries to commit to aid the reconstruction of Ukrainian regions", Official web-site of the Government of Ukraine, 14 July 2022, <https://www.kmu.gov.ua/news/premier-ministr-planuiemo-uklasty-memorandumy-z-krainamy-partneramy-de-buly-b-zakripleni-namiry-shchodo-vidbudovy-ukrainskykh-rehioniv>

⁴⁴ The author's online interview with the Ambassador of Estonia to Ukraine Kaimo Kuusk on 6 July 2023.

⁴⁵ "Rebuilding for the Future: A Year of Cooperation between Estonia and Zhytomyr Oblast", *Zhytomyr.Info*, 24 April 2023, https://www.zhitomir.info/news_213702.html

the city mayors of numerous territorial communities, who worked hard to prepare the required documents, despite they did not hope for a positive decision on the donor's side,"⁴⁶ as Arseny Pushkarenko specified.

Also, I suggest that the need to mitigate military threats was not the major priority for Estonia in its search for a partner region in Ukraine. The Russian Army retreated from Ukraine's northern regions, including the parts of the Zhytomyr region, only in early April 2022. But the Russian Army continued to pose a big threat to it, given that the region was located close to the state border with Russia's close ally Belarus.⁴⁷ In order to stay on the safe side, the donor could have picked a region located in Central or Western Ukraine. This choice could have been easily justified. Ukraine's relatively safe regions still have recovery needs, as they can be damaged by missile strikes and host internally displaced persons who require improving living conditions, etc.

As the Ambassador of Estonia to Ukraine Kaimo Kuusk highlighted that the region's previous collaboration with Estonia and a sense of local ownership of reconstruction projects were the most decisive selection criteria for them. Ownership – one of the pillars of the Paris Declaration on Aid Effectiveness – refers to recipients' capacity "to exercise leadership over their development policies and strategies and co-ordinate development action."⁴⁸ These selection criteria are probably not surprising, given that academic literature on development aid acknowledges that relations between donors and recipients can affect aid effectiveness.⁴⁹ The Zhytomyr region that it had experience of cooperating with Estonia prior to Russia's fully-fledged invasion. Also, the donor appreciated that the Zhytomyr authorities submitted a very specific and well-justified list of objects that were destroyed or damaged by Russian invaders and, thus, required reconstruction. This evidenced that they were clear about their needs and witnessed their ability to "own" reconstruction projects. Also, Estonia considered the geographical location and the size of a potential partner region. The Zhytomyr region is located close to the capital, which made it easier for the donor to carry out field trips and monitor project implementation. Last, but not least, selecting a larger region could have been difficult for Estonia – a relatively small country, "just because it may be too big of a bite [for Estonia]."⁵⁰

Thus, the track record of previous collaboration and a sense of local ownership of reconstruction projects mattered the most for the Estonian stakeholders.

⁴⁶ The author's online interview with the head of Ukraine's parliamentary group on inter-parliamentary relations with Estonia and the chair of the Zhytomyr regional branch of Zelensky's party "Servant of the People" Arseny Pushkarenko on 18 July 2023.

⁴⁷ "Year of Liberation: the Zhytomyr region", *Ukrainian Institute of National Memory*, 4 April 2023. <https://uinp.gov.ua/aktualni-temy/rik-vyzvolennya-zhytomyrshchyna>;
"How the City of Ovruch is Recovering from the Invasion of Russian Occupiers," *Korosten Today*, 2 June 2022. <https://korosten.today/rayon/ovruch/yak-misto-ovruch-ogovtuetsya-pislya-navali-rosijskikh-okupantiv-foto.html>

⁴⁸ See OECD, *Aid Effectiveness 2011: Progress in Implementing the Paris Declaration* (OECD Publishing, 2012), p. 29, https://read.oecd-ilibrary.org/development/aid-effectiveness-2011/ownership-of-development-policies-and-strategies_9789264125780-5-en#page1

⁴⁹ i.e. Rosalind Eyben, "Donors as political actors: fighting the thirty years war in Bolivia", IDS Working Paper 183, Brighton: Institute of Development Studies, 2003, <https://www.participatorymethods.org/resource/donors-political-actors-fighting-thirty-years-war-bolivia>

⁵⁰ The author's online interview with Director General Department for Development Cooperation and Humanitarian Aid, Ministry of Foreign Affairs of Estonia Kairi Saar-Isop on 21 July 2023.

Estonia's selection of the specific reconstruction project

Having selected the partner region, Estonia invested a lot of time and effort into selecting the reconstruction project to start with.

It was not easy for the donor to identify the project with the highest impact on the recipient. In May 2022, there were no comprehensive international reports on the damage caused by Russia's invasion. The first substantial study of the losses and damage caused by Russia's aggression – Ukraine Rapid Damage and Needs Assessment – was issued by the World Bank, the Government of Ukraine, and the European Commission only in August 2022.⁵¹ First, in order to assess the recipient's actual needs as early as in May 2022, Estonia relied on the regional governor's request, which contained fifteen specific objects: a few bridges, residential buildings, a kindergarten, a lyceum, a musical school, etc. Second, to "shortlist" the objects, which required urgent care, Estonian stakeholders visited the region.

The Ministry of Foreign Affairs of Estonia launched its working group to see the damaged objects and select the first reconstruction project together with the Estonian Embassy in Ukraine and Estonia's international development agency ESTDEV. They "went through all the objects that Zhytomyr oblast had proposed..., had a meeting with the governor, who is a former SBU [Security Service of Ukraine] high ranking officer..., met local authorities, ... and did the mapping of how capable the oblast was."⁵² To an extent, the Estonian stakeholders were selecting not only a project to reconstruct, but searching for committed partners among local authorities in the region. Given that a lot of input was required from the recipient during project implementation,⁵³ these considerations proved helpful. As the Ambassador of Estonia to Ukraine Kaimo Kuusk put it, "we didn't want the situation where we were the ones dragging the projects, we wanted Ukrainians to be the most interested part."⁵⁴ Estonia's Ministry of Foreign Affairs, in charge of making the final decision, considered various options, most notably – a kindergarten and a residential building. "There were voices who said that there were other objects, not just a kindergarten... renovating a residential building would be more important because people have to live somewhere."⁵⁵ As of April 4, 2022, 375 buildings were destroyed in the region by the Russian Army.⁵⁶

Finally, while making the final decision regarding the reconstruction project, the donor had to take its own capacities into account. Estonia has a well-established reputation for promoting education and is Europe's largest exporter of wooden modular buildings. Modular buildings are quickly to manufacture and construct, which can speed up project implementation. As Kairi Saar-Isop, Director General of the Department for Development

⁵¹ World Bank, *Ukraine Rapid Damage and Needs Assessment* (World Bank: Washington DC, 2022).

⁵² The author's online interview with the Ambassador of Estonia to Ukraine Kaimo Kuusk on 6 July 2023.

⁵³ The author's online interview with the head of Ukraine's parliamentary group on inter-parliamentary relations with Estonia and the chair of the Zhytomyr regional branch of Zelensky's party "Servant of the People" Arseny Pushkarenko on 18 July 2023.

⁵⁴ The author's online interview with the Ambassador of Estonia to Ukraine Kaimo Kuusk on 6 July 2023.

⁵⁵ The author's online interview with Director General Department for Development Cooperation and Humanitarian Aid, Ministry of Foreign Affairs of Estonia Kairi Saar-Isop on 21 July 2023.

⁵⁶ "Year of Liberation: the Zhytomyr region", *Ukrainian Institute of National Memory*, 4 April 2023, <https://uinp.gov.ua/aktualni-temy/rik-vyzvolennya-zhytomyrshchyna>

Cooperation and Humanitarian Aid, Ministry of Foreign Affairs of Estonia put it, "we know that in Estonia there are specialists who can do that. We know that this is a project that we can complete in a reasonable timeframe. It is a good starting point, because for a starting point it is not overly costly or overly difficult project, it's good for something to try first, and see how it works out."⁵⁷ For obvious reasons, modular construction technologies can help mitigate military risks, because the donor could produce them in Estonia and then transport to Ukraine. Last but not least, it was crucial for Estonia to produce a blueprint for reconstruction, which could be replicated elsewhere: "it was a possibility to prepare a project that is not location-specific... So if there is a need for another kindergarten in another region or in cooperation with other donors somewhere else, we [Estonia] already have blueprints for a kindergarten."⁵⁸

Thus, the donor's final decision was to build a wooden modular kindergarten in the city of Ovruch and provide for the installation of solar panels in order to make it energy efficient. As ESTDEV summarized, "we selected the quick, efficient project with the biggest social impact."⁵⁹

Once the donor picked the Ovruch kindergarten reconstruction project, it signed an official Memorandum with the recipient in mid-July 2022. ESTDEV was the signatory of the Memorandum on the side of the donor, while the Zhytomyr regional military administration and the Ovruch local council signed the document on the side of the recipient. To be more precise, the goal of the project was to build a four-classroom kindergarten to host 80 children. The due date was 1 June 2023.⁶⁰ Estonia was going to be the major project implementer, responsible for manufacturing wooden modules and producing furniture and equipment.

Retrospectively, I validated Estonia's project selection against the Zhytomyr region's needs assessment, found in the international report on Ukraine's recovery needs, issued by the World Bank, the Government of Ukraine, and the European Commission in August 2022. The report revealed that the damage caused to the education sector in the Zhytomyr regions was more pronounced than the damage in the housing sector.⁶¹ This suggests that Estonia's evaluation and its final decision to construct a kindergarten addressed the actual needs of the region.

Thus, Estonia's two major criteria for selecting the reconstruction project were the recipient's priority needs and Estonia's own capacities to aid. Other important criteria were as follows: mitigating military threats and producing a blueprint for reconstruction, which could be replicated elsewhere.

⁵⁷ The author's online interview with Director General Department for Development Cooperation and Humanitarian Aid, Ministry of Foreign Affairs of Estonia Kairi Saar-Isop on 21 July 2023.

⁵⁸ The author's online interview with Director General Department for Development Cooperation and Humanitarian Aid, Ministry of Foreign Affairs of Estonia Kairi Saar-Isop on 21 July 2023.

⁵⁹ The author's online interview with Head of Infrastructure Development Projects in Ukraine, Estonian Centre for International Development Tarmo Needo on 13 July 2023.

⁶⁰ Later, Estonia decided to expand the kindergarten to host 160 children by January 2024.

⁶¹ World Bank, *Ukraine Rapid Damage and Needs Assessment* (World Bank: Washington DC, 2022), Table 5 p. 41; Table 8 p. 45, <https://ukraine.un.org/sites/default/files/2023-03/P1801740d1177f03c0ab180057556615497.pdf>

4.2. Key steps in project implementation

Mitigating military threats in advance of project implementation

Estonia mitigated most military threats in advance of project implementation. Instead of implementing the whole project in Ukraine, Estonian businesses manufactured wooden modules and equipment in Winter 2022-2023. This project design allowed engaging Estonian businesses as fully as possible. As the Estonian stakeholders highlighted, "we [the Government of Estonia] have completely eliminated the risk for [Estonian] business... Even if Russia had destroyed the brand-new kindergarten with a missile strike, the Estonian private enterprises could obtain funding from the Estonian government again to build another kindergarten in Ovruch."⁶²

The recipient's side was in charge of on-site work, including constructing a bomb shelter in Ovruch. Notably, construction work in Ukraine was carried out when the Russian Army purposefully targeted Ukraine's energy infrastructure. Domestic constructors had to face security threats, like many other people who stayed in Ukraine during the war. Fortunately for them and for the reconstruction project, Ukraine's defence efforts, underpinned by foreign partners' military aid, proved to be sufficient to protect the city of Ovruch. In March 2023, the wooden modules, furniture, and equipment arrived to Ukraine. In April-May 2023, the whole construction of the kindergarten was put in one piece in Ovruch. This division of duties between the lead donor and the recipient proved helpful for mitigating military threats.

Still, the project required introducing a notable change related to security matters. Ukraine had to amend its health and safety rules: all public facilities, including kindergartens, were requested to have bomb shelters. Thus, the Ovruch kindergarten reconstruction project had to include an additional component: a concrete bomb shelter, suitable for children with special needs. The Estonian stakeholders "needed to adjust the project, as they never had shelter. That was the biggest change for the project."⁶³

Transparency due to public procurement according to the EU rules

The lead donor introduced a few measures to ensure transparency and accountability of the Ovruch kindergarten reconstruction project. "Most public procurements were held in Estonia and involved Estonian companies, and a few public procurements were made in Ukraine and involved Ukrainian companies."⁶⁴ These procedures prevented corruption risks and promoted competition between companies. Given that most public procurements were held in Estonia, they followed the EU laws and regulations. Technically, they were held via Estonia's State Shared Service Centre – a government agency under the administration of the Ministry of Finance of Estonia. The contractors were Estonian businesses Harmet OÜ; Nordecon AS; Kumer Saag OÜ; Metos AS and the Ukrainian subsidiary of Nordecon AS: Eurocon Ukraine TOV. "All supervision was done together by Estonians and Ukrainians. It was win-win-win: Estonian companies were able

⁶² The author's online interview with Director General Department for Development Cooperation and Humanitarian Aid, Ministry of Foreign Affairs of Estonia Kairi Saar-Isop on 21 July 2023.

⁶³ The author's online interview with the Ambassador of Estonia to Ukraine Kaimo Kuusk on 6 July 2023.

⁶⁴ The author's online interview with Head of Infrastructure Development Projects in Ukraine, Estonian Centre for International Development Tarmo Needo on 13 July 2023.

to produce wooden modules for kindergarten, the Ukrainian company and construction workers were able to build it here."⁶⁵

Moreover, in order to encourage Ukrainian constructors to carefully fulfill their duties on the ground, 24/7 digital cameras were installed to monitor the construction works in Ovruch.

Later, Estonia's transparency and accountability measures were highly appreciated by the project's partner donor – Flanders, which was concerned with high perception rates of corruption in Ukraine.⁶⁶

Thus, mitigating any potential corruption related risks proved realistic: The most important factor was carrying out public procurements according to the EU rules.

Engaging partner donors and coordinating their input into project implementation

While the lead donor was the core contributor to the Ovruch kindergarten reconstruction project, it worked hard to mobilize additional support. Estonia had enough funding for the reconstruction project: the Ministry of Foreign Affairs of Estonia granted €2.7 million to ESTDEV to manage the construction of the kindergarten for 80 children. However, Estonia was eager to engage partner donors and produce spill-over effects for other prospective reconstruction projects in the Zhytomyr region.

As the Head of Infrastructure Development Projects in Ukraine, Estonian Centre for International Development Tarmo Needo put it, “donors [whom Estonia invited to join the project] were shaky of starting reconstruction [of Ukraine] while the war was in the active phase.”⁶⁷ This is easy to understand, given that Russia deliberately attacked Ukraine's energy infrastructure in Autumn-Winter 2022-2023, and there were risks of the potential second round of Russia's invasion from the territory of Belarus. Nevertheless, in early 2023, Estonia's efforts to recruit more partners to its first reconstruction project gained fruit: Iceland and Flanders joined in. The Ministry of Foreign Affairs of Iceland contributed €66,000 toward the purchase of furniture and presentation equipment, while the Government of Flanders provided €100,000 to train kindergarten teachers and leadership. Despite Flanders being a region and a part of Belgium, it has significant devolved powers in the policy domain of development aid, “with no hierarchy between federal and regional authorities, unlike in most other federations.”⁶⁸

Both partner donors were committed to Ukraine's recovery and generously supported Ukraine in many meaningful ways,⁶⁹ but they had reasons to believe that at that point “Ukraine's priority needs were military and humanitarian.”⁷⁰ By means of contributing to the Ovruch kindergarten reconstruction project, both partner donors *de facto* slightly adapted their aid policy priorities with respect to Ukraine. They did so due to their

⁶⁵ The author's online interview with the Ambassador of Estonia to Ukraine Kaimo Kuusk on 6 July 2023.

⁶⁶ The author's online interview with General Representative of Flanders Thomas Castrel on 1 August 2023.

⁶⁷ The author's interview with Head of Infrastructure Development Projects in Ukraine, Estonian Centre for International Development Tarmo Needo on 13 July 2023.

⁶⁸ The author's online interview with General Representative of Flanders Thomas Castrel on 1 August 2023.

⁶⁹ “1 year of Flanders Helps Ukraine summarized in an e-publication”, Flanders Chancellery and Foreign Office website, 22 February 2023, <https://www.fdfa.be/en/1-year-of-flanders-helps-ukraine-summarised-in-an-e-publication>; “War in Ukraine - Iceland's response”, Ministry for Foreign Affairs, <https://www.government.is/topics/foreign-affairs/war-in-ukraine/>

⁷⁰ The author's online interview with General Representative of Flanders Thomas Castrel on 1 August 2023.

awareness about Ukraine's recovery needs and their positive experience of bilateral cooperation with the lead donor – Estonia.

At the invitation of Estonia, General Representative of Flanders Thomas Castrel met Ukraine's delegation in Ovruch several times and decided to engage in the Estonia-led reconstruction project. The Ministry of Foreign Affairs of Iceland accepted Estonia's invitation to join the Ovruch reconstruction project even without meeting the final recipient.⁷¹ The stakeholders in Iceland were convinced by the rationale for the project, because it aligned with the goal of Iceland's development policy to strengthen social infrastructure and educational system within its partnership.⁷² Donating affordable sums of money to a truly trustworthy project implementer – Estonia – was probably not too risky for them. Iceland has been closely cooperating with Estonia within the Nordic-Baltic cooperation format.⁷³ In turn, Flanders has been collaborating with Estonia in Flanders' North Strategy for Europe. Notably, Flanders and Estonia have implemented joint projects in Ukraine in the past: in Donetska oblast, the Autonomous Republic of Crimea, and Mykolaiv.⁷⁴ In the case of Iceland, the Ovruch kindergarten reconstruction project was its first experience of cooperation with Estonia in development aid.⁷⁵

Moreover, in response to ESTDEV's public invitation, a few Estonian companies – Solarstone; Sunly; Primostar OÜ; Sportservice OÜ; Kitman Thulema AS – contributed their products and services toward the construction of the Ovruch kindergarten free of charge.⁷⁶ Apart from being eager to support Ukraine, profit-seeking businesses were eager to explore a new market, spread the word about themselves, and get ready to offer their products, once Ukraine's reconstruction starts at a large scale.⁷⁷

Not only Estonian companies were interested in participating in the project, as evidenced by the fact that a Japanese company Nichiha Corporation suggested its technological products for the reconstruction project free of charge. Yet, it approached ESTDEV too late to participate in the first phase of the Ovruch kindergarten reconstruction project, which was completed by June 2023.

Thus, Estonia managed to mobilize additional financial support for the Ovruch kindergarten reconstruction project. It engaged its two long-lasting partners Iceland and Flanders. By means of aiding the Ovruch kindergarten reconstruction project, Iceland and Flanders *de facto* slightly amended their aid policy priorities with respect to Ukraine.

⁷¹ The author's online interview with the Adviser of the Ministry for Foreign Affairs of Iceland Oddur Stefansson on 13 July 2023.

⁷² "The Policy for International Development Co-operation 2019-2023", Government of Iceland, <https://www.government.is/topics/foreign-affairs/international-development-cooperation/>

⁷³ The author's interview with the Adviser of the Ministry for Foreign Affairs of Iceland Oddur Stefansson on 13 July 2023.

⁷⁴ "Flanders and the North", Department Chancellery and Foreign Office of the Government of Flanders. <https://www.fdfa.be/sites/default/files/2022-06/Flanders%27%20focus%20on%20the%20North.pdf>

⁷⁵ The author's online interview with the Adviser of the Ministry for Foreign Affairs of Iceland Oddur Stefansson on 13 July 2023.

⁷⁶ "100 Days Until the Grand Opening: Solar Panels in Ovruch Kindergarten Donated by Solarstone and Sunly", Estdev.ee, 23 February 2023, <https://estdev.ee/development-cooperation-2/100-days-until-the-grand-opening-solar-panels-in-ovruch-kindergarten-donated-by-solarstone-and-sunly/?lang=en>

⁷⁷ The author's online interview with Head of Infrastructure Development Projects in Ukraine, Estonian Centre for International Development Tarmo Needo on 13 July 2023.

Aligning the project with both EU and Ukrainian construction rules

Although Ukraine is not an EU member state, the Estonian and the Ukrainian stakeholders decided to follow both Ukrainian and the EU regulations in the policy domain of construction. The lead donor and the recipient believed that the experience of respecting the EU regulations during project implementation could be of help to Ukraine and stimulate potential further adjustments to the EU rules in other policy domains.⁷⁸

However, it came as a surprise that, unlike Ukraine, the EU qualifies modular buildings as permanent constructions that are safe for children. For obvious reasons, the reconstruction project could not wait until the parliament of Ukraine would change the laws accordingly. In these circumstances, the Government of Ukraine had to find a legal solution and certify the first modular kindergarten in Ukraine. Within the government, the Ministry for Communities, Territories and Infrastructure (the predecessor of the Ministry for Recovery), was responsible for issuing such certificates. The Ministry was aware about the Ovruch kindergarten project: It was a co-organizer and an active participant of two international forums, dedicated to the Estonia-led reconstruction in the Zhytomyr region.⁷⁹ These events gave room for domestic stakeholders within the government and the parliament to scrutinize and discuss potential legal solutions. Finally, the Ministry found a way to certify the Ovruch modular kindergarten in line with both the EU and Ukrainian construction rules.⁸⁰ Later, the city mayor of Ovruch Ivan Korud highlighted that "if the Ovruch city council can attract [additional] funding, it would build other buildings for educational needs in the similar way... But "it is necessary to [better] adapt Ukrainian construction standards to the ones found in the EU"⁸¹, in order to apply them easier in the future. Thus, the Ovruch reconstruction project marked Ukraine's new experience of aligning its new preschool infrastructure facility with the EU construction rules.

Also, the Estonian stakeholders had to manage the expectations of the Ovruch local community regarding the modular kindergarten. Estonia reconstructed the Ovruch kindergarten in line with the Build Back Better principle. Similar wooden energy efficient kindergartens are found in Estonia and Nordic countries. However, the local population was not familiar with modular buildings and was concerned about whether they were suitable for children. In order to address their concerns, the lead donor organized a tour to the capital of Estonia to show the same modular kindergartens in Tallinn. The Ambassador of Estonia to Ukraine Kaimo Kuusk stressed: "If we suggested the Ukrainians a modular kindergarten, we brought them to show that we use similar

⁷⁸ The author's online interview with Director General Department for Development Cooperation and Humanitarian Aid, Ministry of Foreign Affairs of Estonia Kairi Saar-Isop on 21 July 2023.

⁷⁹ Both international forums, or regional reconstruction conferences, welcomed top-level leadership of Estonia, Ukraine, and many other countries – potential donors interested in supporting Ukraine's reconstruction, like Portugal. They were held in the city of Zhytomyr in Ukraine in September 2022 and in Tallinn, the capital of Estonia, in December 2022. Both events were co-organized by Estonia.

⁸⁰ The author's online interview with the head of Ukraine's parliamentary group on inter-parliamentary relations with Estonia and the chair of the Zhytomyr regional branch of Zelensky's party "Servant of the People" Arseny Pushkarenko on 18 July 2023.

⁸¹ See the commentary of the city mayor of Ovruch Ivan Korud in: "Modular kindergarten - the experience of the Ovruch urban territorial community", *Osvitniy Ombudsmen Ukrainy*, 6 March 2023, <https://eo.gov.ua/modulni-sporudy-zaklady-osvity-dosvid-ukrainy/2023/03/06/>.

kindergartens."⁸² In April and May 2023, the leadership and staff members of the Ovruch kindergarten visited Tallinn to learn how kindergartens operated in Estonia. The lead donor ensured that it not only produced a brand-new building, but also shared its own practices of pre-school education with the recipient.

Thus, this case witnesses Ukraine's readiness and capacity to align the kindergarten reconstruction project with both the EU and Ukraine construction rules, despite it is not an EU member-state.

This two-fold section demonstrated that the international engagement in the Ovruch kindergarten reconstruction project was fruitful: the lead donor and the partner donors honored their commitments on schedule; Ukraine's authorities coped with their duties on time, too. Project implementation faced no delays. As anticipated, the brand-new energy-efficient kindergarten was opened on June 1, 2023. Given that the official Memorandum was signed in mid-July 2022, it took the stakeholders less than one year to implement the project. Simultaneously, the lead donor started expanding the kindergarten to host 160 children by January 2024.

5. Conclusion and Discussion

The paper explored the first internationally-led reconstruction project, which was launched and completed during the ongoing Russia's invasion in Ukraine. This case study demonstrated that successful international engagement in the country's restoration was possible amid Russia's military threats. The research findings suggest that it is reasonable to expect fruitful internationally-led recovery projects in Ukraine after the war, given that the internationally-led reconstruction project succeeded during Russia's invasion. Importantly, this case study is suitable for drawing lessons from it for the benefit of other instances of international engagement in Ukraine's recovery.

The case study found that the internationally-led reconstruction project did not face any serious issues and was implemented on schedule. The only change, which the Ovruch kindergarten reconstruction project had to face due to security related matters, was the following one. The Government of Ukraine was highly concerned with numerous instances of Russia's on-purpose missile attacks on civilian infrastructure in Ukraine. Therefore, Ukraine introduced an important amendment to domestic health and safety rules: all public facilities were requested to have bomb shelters. As a result, the Ovruch kindergarten reconstruction project had to include an additional component: a concrete bomb shelter, suitable for children with special needs.

It might sound like a paradox that the lead donor and the partner donors did not face any issues during project implementation, apart from being concerned with the war-related threats. Yet, this paradox is easy to explain. The matter is that the lead donor's core concern was that Russia's invasion could have made Ukraine too fragile as a state. "For Estonia, it is the first experience of doing development cooperation project in a country that is in active war with another country."⁸³ However, the lead donor did not encounter those obstacles that it was initially afraid of. As the Ambassador of Estonia to Ukraine

⁸² The author's online interview with the Ambassador of Estonia to Ukraine Kaimo Kuusk on 6 July 2023.

⁸³ The author's online interview with Director General Department for Development Cooperation and Humanitarian Aid, Ministry of Foreign Affairs of Estonia Kairi Saar-Isop on 21 July 2023.

Kaimo Kuusk put it, “we had some hesitations whether institutions [in Ukraine] are functioning, whether local government is functioning, but actually they are functioning very well”.⁸⁴ The initial consideration of the lead donor corresponds to the literature on development cooperation in conflict-affected states.⁸⁵ Most previous research on development aid in conflict-affected states is based on the cases of internal conflicts. For obvious reasons, domestic conflicts signal low state capacity and fragility. Instead, a war against a state with a decent level of modernization and public service does not necessarily imply the collapse of the whole system of governance when under attack.

This study suggests that the crucial conditions for the success of the internationally-led reconstruction project were Estonia's determination and Ukraine's local ownership. Estonia was determined to start aiding Ukraine's recovery as early as possible. In fact, Estonia decided to take care of the recovery of the Zhytomyr region just in a few weeks after the territory was liberated from Russia's partial occupation. Estonia managed to mitigate military risks in advance: it engaged Estonian businesses in manufacturing the components of the kindergarten in Estonia and then transporting them to Ukraine. Estonia worked hard to select the reconstruction project that addressed the recipient's needs and, simultaneously, aligned with Estonia's capacities to aid. Importantly, Estonia introduced measures to ensure transparency, like public procurement procedures in line with the EU rules. The recipient's local ownership was evidenced by its financial input into the project and its administrative support, including the capacity of domestic stakeholders to certify the reconstructed kindergarten in line with both Ukrainian and EU rules in the construction area. It was important that the sub-national authorities on the side of Ukraine had enough financial resources to take care of reconstruction. The Ovruch kindergarten reconstruction project required some financial input from the Ovruch city council to prepare the site for construction work.

This case demonstrates that Ukraine's local government, as anticipated,⁸⁶ coped with contributing to Ukraine's internationally-led recovery. Because the powers of local authorities had been strengthened due to the pre-war decentralization reform, the sub-national authorities on the side of Ukraine had both financial and administrative capacities, necessary to take care of the reconstruction project. It is telling that the official Memorandum on the Ovruch kindergarten reconstruction project was signed by ESTDEV, the Zhytomyr regional military administration, and the Ovruch local council. No central authority signed the Memorandum on the Ukrainian side. Ministry of Education of Ukraine confirmed that it was not involved, because schools and kindergartens are owned by local authorities in Ukraine.⁸⁷ The recipient was the Ovruch local authority, but the Zhytomyr regional governor signed the Memorandum because the project was a part of Estonia's "patronage" over the region.

⁸⁴ The author's online interview with the Ambassador of Estonia to Ukraine Kaimo Kuusk on 6 July 2023.

⁸⁵ Marie-Eve Desrosiers and Gérard Muringa, "Effectiveness under fragile conditions?: sociopolitical challenges to aid and development cooperation in Burundi", *Conflict, Security & Development*, Vol. 12, Issue 5, 2012, pp. 501-536. <https://www.tandfonline.com/doi/full/10.1080/14678802.2012.744183>

⁸⁶ OECD, *Turning to Regions and Local Governments to Rebuild Ukraine* (Paris: OECD Publishing 2022), <https://www.oecd.org/ukraine-hub/policy-responses/turning-to-regions-and-local-governments-to-rebuild-ukraine-9510f490/>

⁸⁷ Email interview with Director General of the Science and Innovation Directorate of the Ministry of Education of Ukraine Ihor Taranov on 29 June 2023.

Also, it is telling that during the implementation of the Ovruch kindergarten reconstruction project, Zhytomyr regional authorities suggested Estonia co-finance another project: reconstructing a bridge in the city of Malyn. Estonia donated EUR 1 mln, while Zhytomyr regional authorities provided EUR 1.9 mln and acted as a project implementer. " It was the first time for Estonia to give aid in such a manner."⁸⁸ By October 2023, the Malyn bridge was successfully reconstructed. This showcased the readiness of the recipient to invest its own resources and lead the joint recovery project. It evidenced that the Ovruch kindergarten reconstruction project did not lead to aid dependence.

Notably, in Winter 2022-2023, when Russia intensified its missile attacks all over Ukraine, Estonia managed to engage two more partner donors: Iceland and Flanders. The partner donors' participation was a part of government-to-government cooperation between Estonia and Iceland and between Estonia and Flanders. Estonia's Ministry of Foreign Affairs maintained dialogue with partners and coordinated their joint input into the project. The partner donors – Iceland and Flanders – were concerned about whether it was the right time for international stakeholders to engage in Ukraine's reconstruction and whether international aid would be effective during Russia's ongoing military invasion. But they accepted Estonia's invitation and, once the Ovruch kindergarten was built, acknowledged that "this was a problem-free project."⁸⁹ Moreover, the experience of a problem-free reconstruction project had further spill-over effects: Estonia managed to engage Portugal's contribution into the reconstruction of Lyceum No. 25 in the city of Zhytomyr. In Summer 2022, at the invitation of the Ambassador of Estonia to Ukraine, the Ambassador of Portugal visited the Zhytomyr region: Then the political leadership of Portugal participated in the Recovery Forum of the Zhytomyr Region, organized by the Ministry of Foreign Affairs of Estonia.⁹⁰ As of August 2023, the Zhytomyr city mayor confirmed that the Republic of Portugal officially committed to this reconstruction project via its Ministry of Education.

International engagement into the Ovruch kindergarten reconstruction project succeeded, despite the project was implemented before Ukraine established a range of specialized institutions⁹¹ in charge of supporting the country's recovery and international input into it. First, the regional offices for international cooperation were founded only in Spring 2023. The regional office for international cooperation in the Zhytomyr region started operating in May-June 2023. Second, Ukraine's Restoration Agency, whose "main task is to coordinate and help foreign partners and Ukraine's communities to quickly cope with the preparatory work that is necessary for the implementation of [reconstruction]

⁸⁸ The author's online interview with the Ambassador of Estonia to Ukraine Kaimo Kuusk on 6 July 2023.

⁸⁹ The author's online interview with General Representative of Flanders Thomas Castrel on 1 August 2023.

⁹⁰ The Second Recovery Forum of the Zhytomyr region, held on December 7, 2022 and organized by the Ministry of Foreign Affairs of Estonia. The program of the Forum: https://estdev.ee/wp-content/uploads/sites/73/2022/12/tapsustatud-programm_-The-Second-Recovery-Forum-of-the-Zhytomyr-Region.pdf The video of the Forum: <https://www.youtube.com/watch?v=mEFoI8y3nIU>

⁹¹ Oksana Udovyk, Ievgen Kylymnyk, Daniel Cuesta-Delgado, and Guillermo Palau Salvador, "Making sense of multi-level and multi-actor governance of recovery in Ukraine", WIDER Working Paper 2023/82, United Nations University World Institute for Development Economic Research, June 2023, <https://www.wider.unu.edu/publication/making-sense-multi-level-and-multi-actor-governance-recovery-ukraine>

projects,"⁹² was set up in January 2023 and prioritized the liberated territories in the south and the east of Ukraine. Third, the comprehensive dataset aimed at tracking and coordinating reconstruction projects in a transparent manner (Digital Restoration Ecosystem for Accountable Management, DREAM) was still being established when the Ovruch kindergarten reconstruction project was implemented. This case study suggests that the Ovruch kindergarten reconstruction project did not collapse without the additional institutional support, because the Zhytomyr regional governor and the Ovruch city mayor very actively cooperated with domestic central stakeholders from the central government and the parliament, most notably – MP Arseny Pushkarenko, who combined the positions of the Ukrainian head of the Estonian-Ukrainian parliamentary friendship group and the head of the Zhytomyr regional headquarters of Zelensky's political party "Servant of the People."

Thus, the paper added texture to the ongoing discussions of Ukraine's internationally-led reconstruction and contributed to the emerging thematic literature. The paper specified whether and under what conditions internationally-led reconstruction of Ukraine can be effective. Finally, it shared practical insights about how international stakeholders can prepare for and engage into Ukraine's reconstruction on the ground.

Further research can go in two directions. First, it can proceed from exploratory to explanatory case studies of international engagement in Ukraine's reconstruction. Second, further research can extrapolate these research findings for the cases of development cooperation in conflict affected states around the globe.

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⁹² The author's online interview with the head of Ukraine's parliamentary group on inter-parliamentary relations with Estonia and the chair of the Zhytomyr regional branch of Zelensky's party "Servant of the People" Arseny Pushkarenko on 18 July 2023.