

Sequencing & Prioritization for Ukraine's Recovery

Principles, approaches and cases from other reconstruction contexts

Overview

Effective reconstruction requires strong leadership and communications, well-sequenced plans and clear priorities.

Countries at a critical juncture, such as after a conflict or natural disaster, face a series of difficult decisions where government bandwidth is limited and everything is a priority. The transition from high-level objectives to the sequencing, prioritizing and building consensus around actionable policies, programs and projects is a critical process for Ukraine and its international partners. Along the way, Ukraine and its partners must recognize the tensions between physical reconstruction, strengthening of state capability, European integration and social cohesion—and the trade-offs necessary to create a cohesive and sequenced approach.

This short note outlines key considerations and introduces approaches for sequencing and prioritization that highlight the importance of context, inclusivity and building state capability alongside the data and evidence from other cases that illustrates effective sequencing pathways for reconstruction. These key principles include:

- **Building societal consensus around prioritization decisions** by starting with a credible national vision, common operating picture and clear view of different regions' assets, needs and risks. Balancing competing priorities can be difficult, and having and communicating a shared understanding of both the immediate needs and the long-term challenges helps build consensus around prioritization decisions.
- **Rationalizing tensions between competing goals over time and place.** Delivering “quick wins” that can build support for the reconstruction agenda while setting the foundations for longer-run reforms of “building back better” and European integration will need to be incorporated into sequencing decisions, as will the development of a credible criteria-based approach for how, when and where reconstruction occurs to balance trade-offs of sequencing reconstruction across regions.
- **Balancing the goals of citizens and the market with the state's ability to deliver while recognizing the sequencing dependencies across key sectors.** Leaders must be able to see sequenced priorities from the citizen and market perspectives that are unique to their context while recognizing the physical and capacity dependencies of sequencing decisions (i.e., starting with “invisible” work of logistics management, supply

chain development and project planning that is needed to obtain the materials necessary for housing and other infrastructure reconstruction).

- **Managing the absorptive curve through careful sequencing and front-load improvements to public sector management to reduce costs and spur investment.** Early investment in the people and institutions needed to manage huge inflows of finance, establish clear “rules of the game” for recovery activities and mitigate the risk of brain drain and outsourcing to foreign contractors should accelerate as the requirements of reconstruction grow. Human capital within the public and private sector to deliver on reconstruction will be the critical factor for success or failure.

This note outlines key principles for effective sequencing of reconstruction based on the experience of other cases. Further lines of inquiry could expound upon the specific sequences that are needed within key sectors in Ukraine's reconstruction, how aid conditionalities brought by Ukraine's partners can support effective sequencing pathways, and how Ukraine's reconstruction agency can develop a criteria-based system for prioritization and sequencing of projects across geographies, donors and communities.

Principles for Sequencing, Prioritization & Consensus-Building

Every crisis is unique and **sequenced reconstruction should respond to the specific context of the catastrophe.** In conflict settings, for instance, an area moving from active war to stability will need to focus on the preservation of life (i.e., through demining, provision of shelter and basic services) for incentivizing the safe return of displaced populations that will provide the human capital to pursue broader recovery. Though there may not be an open moment across the territory for larger-scale reconstruction efforts, there is an opportunity for initial support that lays the groundwork for long-term recovery. Thus, understanding the current context and assessing the trajectory of the crisis are important prerequisites to well-sequenced reconstruction planning.

Reconstructing countries and their international partners need to set out clear priorities, programs and projects that reflect the desires and needs of the population, consider the trade-offs between various sequencing pathways, recognize the sequencing dependencies related to human capital, and prioritize early on the public and private capabilities to implement plans. This note outlines how these principles

will impact Ukraine’s recovery with examples from other contexts that indicate successful sequencing pathways for reconstruction.

Shared Understanding and Assessment of Priorities

Reconstructing countries can **build consensus around prioritization decisions by starting with a credible national vision and common operating picture**. These elements should tie the chosen reform pathways to the understood challenges and a clear set of goals for the future. Balancing competing priorities can be difficult, and having a shared understanding of both the immediate needs and the long-term challenges allows for more consensus and informed discussion around prioritization. This not only includes meeting physical needs but also a concerted effort of public engagement. The experience of the Territorial Renewal Agency in Colombia, which undertook 220,000 citizen-level consultations to develop territorially focused development plans structured around national pillars, may be a useful example as Ukraine attempts to build consensus around its priorities.

Building on an overall national vision, countries must create a **strategic architecture that outlines communicable policy priorities**. Reconstruction hinges on stakeholder coordination, which means it is also fundamentally an exercise in communication. Communications strategy should be based on an overarching plan that clearly sets out the government’s promises for recovery, manages expectations, and establishes channels for feedback and dialogue while encouraging an independent media that can strengthen transparency and accountability. In this regard, iterating short-, medium-, and long-term goals acts as a roadmap for communicating important milestones with key internal and external constituencies. Ukraine may consider packaging its recovery strategy under a small set of 5-7 priority programs (e.g., security, accountability, human capital and return, green economy, EU integration, etc.) that can be referred to throughout reconstruction and make the litany of recovery projects more cohesive.

Assets and areas of opportunities should be assessed alongside risks, needs, and damages at the local and central levels to create a balance sheet that the country can leverage during reconstruction phase. Needs and assets can be identified through assessments conducted by central

governments and their international partners, but regional variation, especially differences that foster societal tensions, should be integrated at the earliest stages of assessment to ensure that “pockets of exclusion” are avoided. When determining priorities, it will be necessary to develop a dynamic hierarchy of strategic and tactical objectives that determines the relative weight of assessed needs at different vertical levels of government, such as the relative importance of national needs versus local needs and the weighing of needs and opportunities between different localities. International partners can provide technical assistance to asset and risk mapping (alongside local solutions like Ukraine’s damaged.in.ua database) while supporting the facilitation of the assessment process between the central and regional governments.

After the identification of assets and opportunities, a **credible, criteria-based approach to prioritizing needs and sequencing response** is required. The government will need to develop and standardize a set of tools to analyze the costs, benefits and impacts of various sequencing decisions alongside a criteria-based system to determine how, when, and where reconstruction occurs. These criteria should be context-specific and developed in line with the country’s vision and national goals, alongside ongoing consultations with regional and local actors. In Ukraine, a multicriteria appraisal approach¹ to prioritizing projects might include standard criteria for financial viability and project readiness in addition to the impact of the project on meeting Ukraine’s goals of greening the economy, realigning infrastructure to Europe, digitalization and economic revitalization, among others. Because the selection and weighting of criteria equates how the government will navigate trade-offs between its various objectives, the methodology behind the approach should be made as transparent as possible.

Sequencing Across Time and Space

In Ukraine, it will be necessary to **prioritize and rationalize tensions between competing goals over time**: from short-term goals for recovery and “getting back to normal” to longer-term goals for European integration and “building back better.” Leaders that are overwhelmed with priorities often revert to focusing on ceremonial issues that do little to advance the process of long-term reconstruction. At the same time, earning these “quick wins” can build public support for the reconstruction agenda while the government

Reconstructing countries take actions to prevent loss of life and restore control of territory, but programming for de-mining, security and housing restoration should be integrated with non-security priorities, which may impact sequencing (i.e., unsafe areas ripe for high development and social impact should be given priority). Bosnia & Herzegovina’s demining [strategy](#) evolved from simple land clearance in the 1990s to a fully integrated policy across sectors, explicitly linking demining to larger socioeconomic development factors through cross-sectoral performance indicators and acknowledging that mine clearance must be coupled with public information and community engagement. This includes conducting cross-impact analysis to understand the development effects of mine clearance (e.g., housing, mobility, transport) and tying land clearance criteria and policies to wider development objectives in priority programs.

1. The [IMF](#) and [Antov \(2018\)](#) provide more detailed discussion of multicriteria analysis and the prioritization of public investment during post-crisis recovery.

undertakes longer-term reforms. In addition to consolidating security, prioritizing repairs to housing and municipal infrastructure damaged in the war is the most obvious opportunity for such quick wins in Ukraine, particularly if sequenced alongside structural reform for stronger accountability and management in those sectors. At the same time, areas that promote social cohesion and solidarity like sports and the development of cultural landmarks could be sequenced at the start, even though they are often left as afterthoughts in reconstruction planning.

Effective **prioritization and sequencing of reconstruction between regions** requires a clear set of criteria for balancing trade-offs. Given the uneven impact of Russian aggression across Ukraine’s regions and longstanding tension between some regions and the central government, difficult decisions will need to be made about the relative geographic focus of reconstruction. As such, leveraging localized asset mapping and communicating clear criteria for the prioritization of regional interventions will be critical. In addition, creating systems for local communities to make their own prioritization determinations have been used often in past crisis environments to allow for a more nuanced and flexible approach to reconstruction. Leaders will need to balance national priorities that affect multiple regions (i.e., the reestablishment of transport corridors for food, people and construction materials) with regional and municipal goals and needs identified by local leaders and citizens. Furthermore, given regional variation, leaders should consider decentralizing decision-making on priorities and sequencing that primarily affect the local level (e.g., housing) while taking other decisions of national interest (e.g., *oblast* transport, energy) at the central level.

Creating a Sustainable Cadence

Sequences for reconstruction need to **balance the goals of citizens and the market and the state’s capability to deliver** while recognizing **sequencing dependencies across key sectors**. It is important for leaders to understand sequenced priorities from the citizen perspective (i.e., food, housing, jobs, essential services) and the market perspective (i.e., large-scale infrastructure, value chain investment) that are unique to their context while recognizing the state’s absorptive capacity to take on a multifaceted reconstruction and reform agenda. Analysis of sectoral dependencies—such as the need to de-mine before rebuilding roads or recognizing the human capital and capabilities needed to undertake housing construction projects—can help government and its partners navigate possible sequences.²

Evidence from a diverse set of reconstruction experiences highlights the knock-on effects of building state capability early on to manage longer-term reconstruction. Specifically, an **early focus on the “invisible” work of logistics, institutional**

design, capacity building, and program planning is needed. Front-loading improvements to public sector management to ensure state capacity to plan urban restoration, administer reconstruction programs, and negotiate supply chains for building materials can be done before the end of conflict, although it is important for partners to recognize the human capital and absorptive capacity challenges of a country at war. Standing up an institution with the capacity to review, manage and oversee prioritization and sequencing on a continuous basis—such as the central reconstruction agency set up to manage [recovery](#) in Aceh and Nias (BRR) or the EU-aligned Regional Operations Programs in war-affected areas of Croatia (below)—can create a one-stop shop for this “invisible” [work](#) within government, if properly resourced and staffed. Secondments and salary support for the State Agency for Restoration and Development to attract high-quality talent early on would reduce reliance on foreign contractors and build capacity for Ukraine’s reconstruction in the long-term.

In addition to public sector capacity, **necessary market conditions, industries, workforce and standards must be in place to support reconstruction**. Developing logistical, supply chain, and project management capabilities in the private sector is critical to reduce costs and delays in the delivery of reconstruction projects. In many past cases of reconstruction, governments’ ability to proceed on projects have been hampered by a lack of supplies, a short-staffed construction industry, inflation, and poor work standards. In Ukraine, issues around workforce must also be deeply considered. Given that over 20 percent of Ukraine’s population has left, models for resource planning and forecasting (e.g., skills gaps analyses, impact assessment of using foreign contractors, etc.) will be needed to ensure that reconstruction builds—rather than replaces—national capacity.

Croatia’s [experience](#) illustrates both the importance of building state capability early on to spur reconstruction and how international support can help align local operational management capacity to EU standards. Given growing disparity in the success of reconstruction efforts across regions since the end of war in 1995, Croatia worked with the EU and World Bank to prepare five Regional Operations Programs (a standard planning instrument used by the EU) in areas heavily affected by the conflict. These Programs focused on strengthening regional government capacity for business planning, cost management and procurement alongside high-visibility programming for economic re-development and are cited as important driving factors for Croatia’s accession to the EU. In Ukraine, capabilities for logistics and management can be developed now, with the underpinning principles for redeveloping trunk infrastructure oriented to Europe and preparing transport corridors for the delivery of materials for reconstruction.

2. Other specific sectoral considerations for the early stages of recovery and reconstruction are outlined in ISE’s background paper on [“Lessons from Peacebuilding and Reconstruction Experience”](#) (pg. 15-16).

Data from ISE's [Reform Sequencing Tracker](#) shows that after conflict countries consistently prioritize market engagement during recovery, especially during the early stages where revitalization of the market is a top priority to combat future aid dependencies. Early reforms are often focused on improving fundamentals and building the administrative systems required to manage an influx of investment and establish new markets. This includes strengthening land titling and registration systems (Indonesia), solidifying legal frameworks for export promotion and contract enforcement (Albania), financial sector reform and decentralization (Tajikistan), and conducting market analysis and forecasting (Rwanda), among other tasks. As reconstruction progresses and market fundamentals improve, the focus on governance and administration transitions to an emphasis on asset management and structural market reform, as states begin to harness new and existing resources to underpin long-term prosperity.

Applying these Principles to Ukraine and Future Lines of Inquiry

Ukraine set out an initial list of 15 priorities in its [National Recovery Plan](#) and later in the [second Rapid Damage & Needs Assessment](#), which iterated a specific vision for 2023 centered on energy, demining, social infrastructure, housing, and small business support. Packaging these priorities into easy-to-communicate programs with sectoral strategies that outline sequences and project criteria are important first steps for the government and partners. Other considerations for sequencing and prioritization in Ukraine's context include:

- Embedding capacity building in early reconstruction programs that will support building back human capital in the civil service, which exhibited high capacity before the war but has been reduced
- Facilitating analysis on *why* and *where* people are (and are not) returning that will support programming to encourage the safe return of displaced citizens needed to kickstart the economy and civil service
- Technical assistance on the design of multi-level assessment processes and a multi-criteria prioritization approach that will communicate geographic prioritization and sequencing decisions to mitigate risks of unequal regional reconstruction and the undermining of social cohesion
- Continued, highly visible reforms to the rule of law, judiciary and anti-corruption systems will be needed, as these are sectors where donors are looking for “quick wins” that can help unlock investment.

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