

Involving civil society organisations in the reconstruction of Ukraine: the Ukraine Facility and beyond

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1. Current state of affairs

European civil society has been **standing and continues to stand in solidarity with Ukraine and its people in the face of Russia's full-scale invasion and war crimes**. Russia must stop its invasion immediately and withdraw its troops from Ukraine's entire territory. We hope that peace will soon return to Ukraine.

We welcome the [European Council's historic decision](#) on 14 December 2023, to open EU accession negotiations with Ukraine. This marks an important step forward following the [decision on 24 June 2022](#) to grant Ukraine the status of candidate country for accession to the EU, and the [European Commission \(EC\)'s recommendation](#) on 8 November 2023 for the Council to initiate accession negotiations with Ukraine.

As stated already in [our joint statement with the European Environmental Bureau in July 2022](#)—160 civil society organisations (CSOs) throughout the EU and Ukraine signed this statement—**CSOs across the Union are ready to work with our members, partners and friends in Ukrainian civil society to reconstruct the country, strengthen civil society and ensure a strong, democratic, resilient, equitable, inclusive, accessible and sustainable Ukraine**.

CSOs in Ukraine have been playing a crucial role since the start of Russia's full-scale invasion and escalation in February 2022. They have been central in providing humanitarian and medical assistance, helping those fleeing the country, documenting atrocities and war crimes, reporting environmental and cultural heritage destruction, as well as organising the dissemination of independent information and access to vital services, and more.

We welcome the EC's [proposal for a Regulation on establishing the Ukraine Facility](#), a €50 billion aid package for 2024 to 2027. We **urge all EU Member States to support this proposal as soon as possible, including the amendments regarding CSOs' involvement that were adopted by the European Parliament (EP) in the latter's first reading position on 17 October 2023**. EU institutions should strengthen the provisions for CSOs' involvement in the proposed Regulation.

Supporting the Ukraine Facility requires reaching a **political agreement on the mid-term revision of the Multiannual Financial Framework (MFF)**. Since such an agreement could not be reached during the European Council on 14-15 December 2023, **we hope that Member States will reach an agreement** or find an alternative during the extraordinary European Council that is expected to take place **in January 2024**. The fact that [26 out of 27 EU heads of state or government](#) support the mid-term review but this is rendered null by Hungary's veto demonstrates that the unanimity requirement needs to be reformed; we call for this in [our Civil Society State of the Union 2023 report](#).

Elsewhere, the [Multi-agency Donor Coordination Platform](#) launched on 26 January 2023 claims to be one of the platforms dedicated to streamlining the EU, G7+, and other stakeholders' efforts to coordinate support for Ukraine. To deliver on the Platform's [objective](#) of ensuring that support is provided "in a coherent, transparent, [accountable] and inclusive manner", **CSOs, including ourselves, expect the Platform's agencies to strive towards effective, broad and balanced participation of major groups of CSOs.** The Ukraine Plan to be developed by the Ukrainian government for the purpose of the Ukraine Facility could also serve as a guide for other donors' assistance programming to Ukraine.

The **involvement of civil society in the monitoring of EU funds in EU Member States is regulated by the partnership principle**, as stipulated in the European Code of Conduct on Partnership. The proposed Regulation on the Ukraine Facility is expected to integrate the partnership principle. Adding this provision to the proposed Regulation will **ensure that accountability and transparency are incorporated into the Ukraine Plan** (the basis for the disbursement of the funds) **for the benefit of both national and international stakeholders.**

2. Our vision and recommendations

We reiterate our call for the meaningful involvement of civil society organisations (CSOs) in recovery, reconstruction and modernisation efforts in Ukraine, including when it comes to funding, to ensure the efforts are rooted in society and lead to sustainable, equitable, inclusive and accessible results.

CSOs across the European Union and Ukraine must have **a clear and strong role not only in the definition of priorities, but also in the planning and programming, as well as implementation, monitoring and follow-up efforts.**

EU institutions, EU Member States and the Ukrainian government **should meaningfully involve CSOs in this manner within the framework of the Ukraine Facility, as well as EU-Ukraine cooperation for recovery, reconstruction and modernisation in general, and Ukraine's accession to the EU.** For instance, the Multi-agency Donor Coordination Platform Secretariat placed within the European Commission (EC)'s DG NEAR should ensure a participatory approach in the running of the Platform to build trust and adequate information flow in matters directly affecting Ukrainian and European citizens.

Providing a clear and strong role for CSOs within reconstruction efforts like the Ukraine Facility will contribute, among other things, to:

1. Ensuring the Ukrainian people's real ownership of Ukraine's recovery, reconstruction and modernisation;
2. Increasing the transparency and accountability of how EU funds are distributed and spent;
3. Ensuring the success of sustainable, equitable, inclusive and accessible recovery, reconstruction and modernisation measures by drawing on Ukrainian CSOs' 'on the ground' knowledge and expertise;

4. Strengthening democracy and the rule of law both in the EU and in Ukraine by increasing civil society's meaningful participation, thereby contributing to better checks and balances;
5. Ensuring the protection of everyone's human rights and fundamental freedoms in Ukraine and the creation of a fully accessible and inclusive society for all, including for persons with disabilities and other marginalised groups;
6. Aligning efforts with sustainability principles and ensuring that investment policies and finances are consistent with sustainable development;
7. Informing governments and donors about local needs and opinions, as well as identifying the 'on the ground' realities of high-stakes decisions.

Overall, **our calls are rooted in the 'Lugano Declaration' and its seven guiding principles** for the recovery process in Ukraine, including the fifth 'Lugano principle' focusing on multi-stakeholder engagement, as well as the **EU partnership principle and EU Code of Conduct on Partnership**. We call on EU institutions, EU Member States and the Ukrainian government to promote and adopt multi-level governance and a bottom-up approach.

2.1. The Ukraine Facility

Below is a list of **our more specific recommendations on civil society organisations (CSOs)' meaningful involvement in the Ukraine Facility**, some of which echo amendments adopted by the European Parliament (EP) on 17 October 2023 in its [first reading position on the proposal for a Regulation of the EP and of the Council on establishing the Ukraine Facility](#).

2.1.1. Civil society's general involvement in the Ukraine Facility

To achieve civil society organisations (CSOs)' meaningful participation and fair consultation in Ukraine and the EU regarding the Ukraine Facility, **the Ukrainian government and EU institutions need to allocate enough time and resources to CSOs, including the provision of sufficient and relevant information**. Special attention should also be paid to *"the participation of women in consultations, as well as the inclusion of vulnerable groups, such as war veterans and persons with disabilities"*, especially in Ukraine ([EP's first reading position](#), Article 4.6).

Moreover, **the general principles of the Ukraine Facility should include full implementation of the Aarhus Convention** to ensure public participation in environmental decision-making processes and access to the environmental information ([EP's first reading position](#), Article 4.7).

We also support the proposal in the [European Committee of the Regions' opinion](#) for a new article, Article 35(a) on the development of guidelines for effective consultation with stakeholders. We would add to this proposal that **the EC should develop such guidelines in collaboration with CSOs** in order to ensure that they include the best practices and principles.

The CoR's proposed amendment is as follows: *"Within one month of the entry into force of the*

present Regulation, the Commission shall present guidelines for effective consultation with stakeholders on the implementation of the Facility, in particular Pillars I and III thereof, insofar as consultation with local and regional authorities, their associations and civil society organisations is required by the provisions of this Regulation. Such guidelines shall be in line with the European Code of Conduct on the Partnership Principle.”

We call for the creation of an EU-Ukraine civil society platform in order to include civil society in Ukraine’s recovery, reconstruction and modernisation process. Such a joint civil society platform could, for instance:

- **Facilitate the exchange of information** between CSOs based in Ukraine and the EU, including on the opinions that could be produced by potential Ukrainian Monitoring Committees.
- **Enhance and promote cooperation and coalition-building** between CSOs.

We take note of the [European Economic and Social Committee’s opinion](#), adopted on 20 September 2023, which makes a similar proposal.

An alternative could be to involve the [EU-Ukraine Civil Society Platform](#) and the EU and Ukrainian domestic advisory groups set up under the EU-Ukraine Association Agreement, within the Ukraine Facility.

In accordance with the European Association for Local Democracy (ALDA)’s [“Vicenza Declaration”](#) adopted in November 2023, we also call for:

- **Democratic governance** and **increased participation** of CSOs and citizens at the local level in territorial development planning and project selection.
- Using a **bottom-up approach**, involving local and regional authorities, and using **decentralised cooperation** between EU partners and Ukrainian local authorities.
- Endorsing the **active participation of civil society organisations and citizens** in the recovery and reconstruction efforts, including through **Local Democracy Agencies** for sustainable recovery and reconstruction.
- Recognising the **value of partnerships** with the private sector, academia, civil society, and different levels of governance in Ukraine and the EU.

Last but not least, **we support the meaningful involvement of CSOs in the ex-post evaluation of the Ukraine Facility** ([EP’s first reading position](#), Article 37.2).

2.1.2. Pillar I of the Ukraine Facility – Ukraine Plan

Pillar I of the Ukraine Facility is dedicated to the “financial support to be provided to Ukraine for the delivery of reforms and investments to implement the Ukraine Plan as well as to maintain macro-financial stability of the country, as set out in Chapter III [of the proposed Regulation]” ([EP’s first reading position](#), Article 1.2(a)).

The Ukrainian government should involve Ukrainian CSOs in the preparation of the Ukraine Plan and its further improvement during implementation ([EP’s first reading position](#), Article 17.3).

This includes involving CSOs in the determination and monitoring of:

- The mechanisms used to involve CSOs, as well as local and regional democracy actors, “in decision-making on the use of support in the reconstruction process at local level **and in the democratic scrutiny process, in particular timely and equal access to information and funds for the relevant sub-national authorities**”¹ ([EP’s first reading position](#), Article 16.2(e)).
- The “methodology and processes used for the selection and implementation of projects” ([EP’s first reading position](#), Article 16.2(e)).
- The Ukrainian consultation process for the preparation of the Ukraine Plan and its further improvement during implementation, and how the input of relevant stakeholders, including CSOs, is reflected in the Ukraine Plan ([EP’s first reading position](#), Article 16.2(f)).
- The “extent to which the measures under the **Ukraine** Plan are expected to contribute to:
 - **[the promotion of the rule of law;**
 - **climate, biodiversity and environmental objectives;**
 - **social objectives, including the inclusion of vulnerable groups;**
 - **gender equality and the empowerment of women and girls]**” ([EP’s first reading position](#), Article 16.2(g)).
- The composition of the Monitoring Committees that the EP is proposing for the Ukrainian government to establish, as well as these Committees’ working methods. Moreover, the opinions produced by the Monitoring Committees—which are supposed to be forwarded to the European Commission, and the latter then shares them with the EP and the European Council without delay—should also be made available to CSOs and other relevant stakeholders in the EU and in Ukraine ([EP’s first reading position](#), Article 17a.2).

Also, we encourage the creation of a Ukrainian structure (for instance, a platform) for Ukrainian CSOs in order to “institutionalise” and strengthen the processes of consulting CSOs and to enable the latter to more easily and meaningfully contribute to all stages of the Ukraine Plan, including the implementation, monitoring and follow-up stages.

The European Commission (EC) should involve CSOs in the EU in its assessment of the Ukraine Plan, especially the assessment of:

- The mechanisms used to involve CSOs, as well as local and regional democracy actors, “in decision-making on the use of support in the reconstruction process at local level **and in the democratic scrutiny process, in particular timely and equal access to information and funds for the relevant sub-national authorities**” ([EP’s first reading position](#), Article 18.3(b)).
- “[Whether] the Ukraine Plan effectively reflects the inputs of the stakeholder consultation process, conducted in accordance with the national legal framework, of relevant stakeholders, including the Verkhovna Rada, local and regional representative bodies and authorities, social partners and civil society organisations.” ([EP’s first reading position](#), Article 18.3(da)).
- “[Whether] the Plan represents a **needs-based**, coherent, comprehensive and adequately balanced response to the objectives set out in Article 3, including structural reforms and measures to promote the **rule of law and** convergence with the Union, **as well as the application of the conditions referred to in Article 15(2)** so that the Plan as a whole **leads to sustainable** growth of the Ukrainian economy, **reduces economic and social inequalities and**

¹ When text from the European Parliament’s first reading position is in **italics and bold**, it means that it is an amendment to the European Commission’s original proposed Regulation.

ensures the tangible progress of Ukraine towards the [Union's] social, economic and environmental standards” ([EP's first reading position](#), Article 18.3(a)).

2.1.3. Pillar II of the Ukraine Facility - Ukraine Investment Framework

Pillar II of the Ukraine Facility is dedicated to “a specific Ukraine Investment Framework to support investments and provide access to finance as set out in Chapter IV [of the proposed Regulation]” ([EP's first reading position](#), Article 1.2(b)).

Pillar II will function similarly to the European Fund for Sustainable Development Plus (EFSD+), EU Funds or EU external action funds **providing a guarantee instrument, and will be managed by the European Commission (EC), with the support of an operational board.** The international finance institutions (IFIs), like the European Investment Bank (EIB) and the European Bank for Reconstruction and Development (EBRD), will propose a pipeline of projects for which they seek **the EU guarantee.** Since the EU will provide the guarantees for the projects, **it is crucial that the IFIs follow common—and aligned with EU accession—rules and standards on sustainability, transparency and accountability,** and not just in line with the standards and policies of those banks or financial institutions. Also, **we call for civil society organisations (CSOs) to be given a role in the Ukraine Investment Framework's operational board, or at the very least an observer status.**

Furthermore, **it would be beneficial to establish a memorandum of understanding on donor coordination, sustainability and climate criteria, transparency and accountability** that acknowledges the unprecedented challenges of rebuilding and supporting Ukraine on its European path.

We also **need to ensure equal footing for EU and Ukrainian experts** as project efficiency in EU candidate countries depends on local insight and expertise, as well as a deep understanding of EU standards.

The EC should define how it will ensure that, with regard to the Ukraine Investment Framework, **relevant stakeholders, including CSOs,** local and regional authorities, and social partners, are duly consulted and have timely access to relevant information to allow them to **play a meaningful role at least in the monitoring processes.**

We propose the European Code of Conduct on Partnership as a common set of standards for meaningful stakeholder engagement in programming and implementing the Ukraine Investment Framework; this Code of Conduct has already [proved itself to be a good tool](#) for the programming and implementation of the European Structural and Investment Funds (ESIF) in Central and Eastern European countries. Moreover, **a conditionality principle should be used** to guarantee that there is a process of consulting civil society and to, in turn, ensure transparency and inclusive decision-making.

2.1.4. Pillar III of the Ukraine Facility – Union accession assistance and support measures

Pillar III of the Ukraine Facility is dedicated to the “technical assistance and related support to Ukraine to design and implement EU accession-related reforms and to foster Ukraine’s administrative capacity, as well as other relevant activities, as set out in Chapter V [of the proposed Regulation]” ([EP’s first reading position](#), Article 1.2(c)).

Civil society organisations (CSOs) in Ukraine and the EU need to be involved from the start in the preparations, implementation and monitoring of the EU acquis, i.e. policies and practices, and standards’ implementation in Ukraine.

CSOs should be involved in developing, providing, monitoring and evaluating the technical assistance and other supporting measures that will be provided to the Ukrainian government, as well as regional and local authorities and civil society. This includes the support for “strengthening of the rule of law, democracy, respect of human rights and fundamental freedoms, reinforcing of the effectiveness of public administration and *institutional capacities, decentralisation, and* supporting transparency, structural reforms, sectoral policies and good governance at all levels” ([EP’s first reading position](#), Article 32.1).

Assistance and support measures should focus, among other things, on capacity-building for CSOs and mobilising technical expertise ([EP’s first reading position](#), Article 32.2). The funding should ensure specific allocations for the capacity-building of CSO experts and representatives, umbrella organisations and networks.

Moreover, **allocations to support the administration of the partnership principle**, which is stipulated in the European Code of Conduct on Partnership and which involves meaningful stakeholder (including CSOs) engagement, **must be ensured.**

In addition to capacity-building, **CSOs should get assistance and support for the purposes of organisational support and civil society activities within the framework of reconstruction efforts and the reform path towards EU membership**, including Ukrainian CSOs that decided to leave Ukraine during the war and will eventually want to return and need support to achieve this.

We support the proposal in the [European Committee of the Regions’ opinion](#), adopted on 11 October 2023, to allocate more funds for Pillar III. Specifically, the CoR “[Proposes] reinforcing the share of funds made available for capacity building (under Pillar III of the Facility) in order to reinforce the support for the implementation of EU accession-related reforms, the necessary capacity building of local and regional authorities and dedicated cooperation programmes”. **We would add to the CoR’s proposal the reference to CSOs among the recipients of capacity-building support.**

2.1.5. Effective control and auditing within the Ukraine Facility

To protect the EU's financial interests, the Ukraine Facility involves the establishment of an Audit Board ([EP's first reading position, Article 34](#)). **Representatives of civil society organisations (CSOs) should be involved in the Audit Board, at least in an observer capacity.** Similarly, we support the proposal in the [European Committee of the Regions' opinion](#) (amendment 35, relating to Article 34.2) to have not only representatives of Member states, but also **"the European Parliament, the European Committee of the Regions** and other donors [possibly] invited by the European Commission to participate in the activities of the Audit Board."

Furthermore, **we support the European Parliament (EP)'s proposals to strengthen the role of the Ukraine Facility's Audit Board and the European Public Prosecutor's Office**, among other things ([EP's first reading position, Articles 33-34](#)). According to [a briefing produced by the European Parliamentary Research Service](#) in November 2023, the EP's proposals seek "to improve the fight against fraud, corruption, conflicts of interest and irregularities in the use of EU funds in Ukraine".

Reform efforts in Ukraine should also include all state institutions which are responsible for proper financial management, namely the [State Audit Service and the Accounting Chamber of Ukraine](#), in order **to support the ongoing fight against corruption**. This should be reflected in the various (parallel) mechanisms within requested reforms.

In this context, **we would like to advise caution regarding the recommendation** presented within the [European Commission's 2023 country report on Ukraine](#) **to deliver a new lobby law "in line with European standards"**. While we support efforts to address oligarchs' corruption, **such an instrument will not meet the desired objective and could on the contrary have unintended and limiting consequences on CSOs**, even though the latter are actually at the forefront of the fight against corruption.

2.2. The Multi-agency Donor Coordination Platform

As previously stated, the **Multi-agency Donor Coordination Platform Secretariat** placed within the European Commission (EC)'s DG NEAR **should ensure a participatory approach in the running of the Platform** to build trust and adequate information flow in matters directly affecting Ukrainian and European citizens.

It is also important to ensure that the Multi-agency Donor Coordination Platform **not only brings donors together, but also sets common rules and standards on sustainability, transparency and accountability**.

Moreover, and as previously stated, it **would be beneficial to establish a memorandum of understanding on donor coordination, sustainability and climate criteria, transparency and accountability** that acknowledges the unprecedented challenges of rebuilding and supporting Ukraine on its European path.

3. Recommendations from other CSOs

We also support the recommendations developed by other civil society organisations (CSOs) regarding the Ukraine Facility and specific thematic areas. We, together with these CSOs, all agree that CSOs must be meaningfully involved in Ukraine's recovery, reconstruction and modernisation, including through the programming and monitoring of funds.

- **Green 10, CEE Bankwatch Network, Ecoaction, Razom We Stand and a coalition of 57 Ukrainian CSOs** – Protecting and strengthening the environment.
 - [“Joint letter on ensuring that the Ukraine Facility delivers on the environmental acquis of Ukraine”](#), Green 10, 27 November 2023.
 - [“Initial comments on the proposal for a Regulation of the European Parliament and of the Council on establishing the Ukraine Facility”](#), CEE Bankwatch Network, Ecoaction and Razom We Stand, 20 July 2023.
 - [“Green reconstruction of Ukraine: Position of civil society”](#), coalition of 57 Ukrainian CSOs (including Ecoaction), 5 May 2022.
- **European Association for Local Democracy (ALDA)** – The [“Vicenza Declaration”](#) was adopted on 25 November 2023 by representatives of Ukrainian and EU cities and regions, during the “International Conference on decentralised support for Ukrainian communities: Vicenza becomes centre of collaboration for the reconstruction of Ukraine”.
- **European Disability Forum (EDF)** – Inclusiveness and accessibility as core principles of the Ukraine Facility – “Build back better”.
 - [“Ukraine Facility: ensuring equal opportunities for persons with disabilities”](#), 26 September 2023.
 - [“European Parliament’s Committee voted on establishing the Ukraine Facility”](#), 5 October 2023.
 - [“Report: The impact of the war in Ukraine on the rights of persons with disabilities”](#), 4 December 2023.
- **Transparency International (TI) EU and Ukraine** – Transparency and anti-corruption efforts.
 - [“Growth in conditions of uncertainty: Opportunities and challenges”](#), TI Ukraine and the Institute of Analytics and Advocacy, 2023.
 - [“Quality prioritization of reconstruction projects is still a challenge. Why?”](#), TI Ukraine, 20 November 2023.
 - [“Obstacles in the work of the anti-corruption system”](#), TI Ukraine, 24 November 2023.

4. Conclusion

We hope that EU institutions, EU Member States and the Ukrainian government will work with us in ensuring that civil society organisations across the EU and Ukraine can contribute as much as possible to the rapid recovery, reconstruction and modernisation of Ukraine and to a bright future for **a strong, democratic, resilient, equitable, inclusive, accessible and sustainable Ukraine within the EU.**

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