### **OPEN SOCIETY** FOUNDATIONS

# A YEAR IN: TURNING THE TIDE IN RUSSIA'S FULL-SCALE WAR AGAINST UKRAINE

On 24 February 2022, Russia launched a full-scale invasion of Ukraine, devastating lives and livelihoods, wreaking physical and economic destruction and triggering a humanitarian crisis, and putting in jeopardy progress on democratic governance, human rights, and the rule of law that Open Society has supported in the country and region over the past 30 years.

A third of the population is displaced. Nearly 18 million need assistance. Over 700 critical infrastructure facilities, including half the country's energy sector, lie in tatters. Apart from its military needs, and despite recent commitments by the European Union and United States, Ukraine is still facing a shortfall of \$10bn to cover its core costs and maintain services essential to meeting the population's basic rights and needs.

A flagrant violation of international law, Russian aggression has also sent shockwaves across the world. It has fuelled a global cost of living crisis; with food, fertilizer, and energy prices spiking. It has heightened concern around Russia's support for authoritarians in other regions and its interference politically and through mercenaries—in countries in Africa and the Middle East. And it has reignited fears about the erosion of global norms and raised serious questions about the effectiveness of international law and institutions such as the United Nations. If a permanent member of the Security Council can violate the UN Charter so blatantly, what will the impacts be on the rule of law globally? Which other states might be emboldened to act in a similar fashion? And which people might be the victims?

In fact, Russia's actions were already an escalation of the war it has waged since 2014, when it illegally annexed Crimea. It is a deadly reminder that left unchecked, Russian aggression not only undermines the stability of the region, but the security and prosperity of the wider world, as well as the very principles of open society, human rights, and the rule of law.

Exercising its right to defend its sovereignty, Ukraine has fared better—militarily and politically—than most analysts predicted. Yet, its victory is not assured. Russian President Vladimir Putin shows no intention of withdrawing his troops and there is a risk that the countries supporting Ukraine will grow reluctant as the war continues and domestic pressures mount. While international condemnation of Russia's aggression remains widespread, some countries have expressed concern that resources and attention have been diverted from other pressing issues such as the climate crisis. Yet, it remains the case that the best route to a just and sustainable peace-for Ukraine, the region, and the wider world-continues to be a Ukrainian victory. As of early February, some 68,000 war crimes committed by Russian troops have been recorded, according to Ukraine's prosecutor general. These include rape, torture, and the forcible abduction of children. There is also abundant evidence from Crimea showing that human rights violations and corruption have soared in the eight years that Russia has illegally occupied the territory. And many in the region, and in the wider international community, see a Ukrainian victory as the only potential path to a future relationship with a Russia that would not pose a threat to international law and security.

This will require Western leaders to step up. The government of Ukraine has asked its allies to provide timely military support that reflects its needs—as each delay makes the country more vulnerable to further atrocities against its citizens and territorial seizure. In particular, it has called for enhanced capability to counter drone strikes and long-range missile launchpads and has flagged the need for an immediate switch from Soviet to NATO-standard weapons systems.

Ukraine has also asked for greater economic assistance to support the functioning of essential services, early reconstruction and recovery; and for sustained political support—including by finding ways to ensure accountability for war crimes and to keep Ukraine firmly on the path to EU accession. The latter would help the country make progress on good governance and anticorruption standards, which may not otherwise be priorities as it is under attack.

In addition, Western leaders must also address the global humanitarian fallout from Russia's actions, which will help to foster broader support for Ukraine. Moving forward, rich and developing countries must unite to push back against authoritarianism, strengthen the rule of law, and build a more just global system. The recommendations below can help Ukraine move in this direction.

### **RECOMMENDATIONS FOR EUROPEAN POLICYMAKERS**

#### 1. Increase economic support for essential services, macroeconomic stability, and reconstruction

## Create an enabling environment for Ukraine's economic recovery

International financial institutions and other investors should provide foreign investment guarantees as war insurance to those regions of Ukraine that are farther away from the fighting.

Donors should help the Ukrainian government provide security to businesses whose assets have been damaged or destroyed, including compensation and interest payments.

Building on the Black Sea deal, the UN and partners should press for full resumption of exports through seaports under Ukrainian control and airports in the west. Resuming sea exports would add around \$5.5bn per year to Ukraine's state budget, while easing global food insecurity.

### Meet Ukraine's identified needs through the 'Financial Ramstein'

Created by the G7, the Ukraine Multi-Agency Donor Coordination Platform ('Financial Ramstein') should support the development of a predictable financial assistance and recovery plan that meets the country's needs (current priorities include the energy sector, demining, and restoring residential buildings and critical infrastructure); ensures donor alignment; and includes the participation of the Ukrainian government and civil society.

# Plan for debt restructuring now to enable Ukraine's post-war recovery

Requiring Ukraine to service its pre- and post-war debts would make its post-war recovery impossible. At the same time, existing instruments for debt restructuring such as the G20 Common Framework and Paris Club terms are either unavailable to Ukraine or insufficient to solve the particular debt problems of a specific debtor. Ukraine's allies and lenders must develop options for potential debt treatment for a post-war Ukraine. This could also accelerate similar efforts needed in other countries and spur broader debt reform, which, in turn, could foster greater global solidarity with Ukraine.

#### 2. Strengthen political support for justice, sanctions, EU membership, and post-war recovery

## Hold Russia accountable for the war and atrocity crimes

France, Germany, the Netherlands, the United Kingdom, the United States, and others should increase efforts to rally support for accountability mechanisms such as a special tribunal for the crime of aggression. Alongside this, they should bolster Ukraine's technical and legal capacity to investigate cases such as the abduction of Ukrainian children, the capture and/or shelling of the Chernobyl and Zaporizhzhia nuclear plants, and widespread mining of agricultural fields.

The European Union, the United States, and others should consider further sanctions and discuss how frozen/seized Russian assets could be used to compensate Ukraine.

#### Increase the bite of sanctions

States that have imposed sanctions against Russia should regularly share information, including about frozen or seized assets in their jurisdictions, to promote implementation as well as to identify and address patterns of sanctions evasions.

National authorities must investigate allegations of sanctions circumvention and confiscate illegally acquired assets. They should strengthen sanctions and money laundering laws to hold 'enablers'—notably banks, accountants, law firms, and real estate firms in global financial capitals accountable for providing information about violations.

#### Integrate Ukraine into the European Union

To maintain momentum towards accession, the European Union should build further milestones into the process, including more regular assessments of Ukraine's progress towards fulfilling the seven candidacy conditions. While Ukraine must deliver real progress on EU conditions, the European Union too, should prove itself to be a credible counterpart.

The European Union should take advantage of the Association Agreement and explore how to make some of the current emergency economic measures permanent, notably the free movement of goods and trade liberalization.

The European Union should also provide a track for closer political integration that goes beyond economic support and into gradual participation in EU institutions and funds and support for Ukraine's democracy and rule of law reform agenda (including chapters 23 and 24 of the EU acquis on fundamental rights, justice, and the rule of law).

### Move forward with recovery and reconstruction

Donors should fund early reconstruction programs through grants rather than loans, to avoid exacerbating Ukraine's debt. Donors should also invest in creating a transparent system to assess and prioritise recovery needs and facilitate project planning. This should reinforce strong anticorruption standards to ensure effective and accountable reconstruction efforts.

In addition, donors should support mechanisms to boost local capacity, facilitate co-ownership of reconstruction projects and foster a sense of shared responsibility among Ukrainians as they 'build forward' for a better future

### Build global solidarity by addressing the needs of developing countries

Ensuring a just and sustainable peace in Ukraine will require the active engagement of a wide group of partners, including from developing regions. Wealthy countries, including EU and G7 member states, should therefore devote attention and resources to address the impacts that Russia's invasion has had on global hunger and poverty, respond to other humanitarian emergencies, and make progress on issues such as debt reform and climate finance.

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