

**URBAN
GOVERNANCE**



Decentralization and recovery: Local recovery planning in Ukraine



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ABOUT THIS PAPER

Thematic paper series

This paper is one of nine drafted in 2025 by national entities in Ukraine as part of a UN-Habitat-commissioned collection entitled *Thematic Paper Series Informing Urban Recovery Approaches in Ukraine*, comprising:



Urban Governance

- Citizenship: Urban futures in Ukraine
- Municipal Governance Issues in Ukraine
- Decentralization and Recovery: Local Recovery Planning in Ukraine



Urban Land

- Land and Property Issues in Housing and Urban Development in Ukraine



Urban Planning

- Spatial Planning in Ukraine



Urban Housing

- Housing Provision and Outcomes in Ukraine
- Tracing the Path of Social Housing Policy in Ukraine



Urban Skills

- Built Environment Professionals: Education and Practice in Ukraine
- Built Environment Professionals: University Education in Ukraine

Executive summary

The goal of this thematic paper is to illustrate the impact of Ukraine's efforts to decentralize its governance in the context of its post-war recovery. Ukraine's second major war reconstruction in living memory presents a unique opportunity for Ukrainian people and local communities to become primary decision-makers in recovery planning, though this process remains iterative and unprecedented. There were distinct periods of decentralization in Ukraine's past: first, an informal devolution of power after the Soviet Union's collapse, characterized by the rise of improvised services and oligarchic influence amid continued legal centralization; and second, a formal decentralization initiative following the 2014 Revolution of Dignity, conceptualized as a state-building project to strengthen Ukraine's democratic foundations and European integration aspirations.

The current war has created complex governance dynamics, with some elements pushing toward recentralization (such as military administrations replacing local governments in frontline areas and martial law suspending local elections). At the same time, other factors foster community self-reliance and improvisation. Local authorities now face reduced decision-making power, budget reallocations toward defence, staff shortages due to military mobilization, and new responsibilities in emergency response coordination. Multiple recovery initiatives exist at both national and international levels.

Under Soviet rule, Kyiv's post-Second World War rebuilding was centralized, ideologically driven, and expedited through forced labour, with significant population displacement and demographic changes accompanying the process. Today's reconstruction faces unique challenges, including how to involve displaced citizens, tensions between security needs and decentralization goals, the risk of post-war recentralization following historical patterns, limited community control over reconstruction funds, and ongoing legislative battles between central and local authorities over autonomy.

The implementation of decentralization in Ukraine faces numerous challenges despite a clear legislative framework. Key issues include inconsistent laws, frequent amendments, conflicts between authorities, overlapping responsibilities, and a shortage of qualified personnel at the local level. Financial resource redistribution presents another significant challenge.

Ukraine's decentralization reforms aimed to reshape governance by empowering local self-governance at the expense of district, regional, and national control, with financial resources flowing more directly to local communities.

The full-scale invasion demonstrated the practical value of decentralization for local crisis response, while also exposing institutional and fiscal pressures that have complicated its further implementation. Military taxes, population decline, and reduced economic activity have significantly impacted local funding, forcing some communities to consider merging to remain viable. Current complications include the risk of exacerbating spatial inequalities, variations in institutional capacity, potentially confusing requirements for recovery plans versus programmes, expensive comprehensive planning requirements, and contradictions exposed by martial law necessitating centralized control.

The governance system faces additional challenges as regional leaders can suspend local decisions, raising recentralization concerns, while communities are often treated as administrative objects rather than governance subjects. Despite these difficulties, areas of progress include participatory budgeting mechanisms, with Ukraine becoming one of Europe's leading countries in this area by 2021, and the development of digital platforms.

EU integration has further influenced recovery planning through the Multi-agency Donor Coordination Platform established in 2023, emphasizing place-based approaches to reconstruction that support Ukraine's recovery while strengthening local governance structures with participatory planning, which have become increasingly important in Ukraine. Different legal mechanisms empower citizens to influence decisions on environmental sustainability, land use, and infrastructure development.

The government has recently consolidated its efforts by merging the Ministry of Infrastructure with the Ministry for Development of Communities and Territories. Ukraine's administrative framework now includes oblasts as regional units positioned between the national government and local communities, with a dual governance system comprising an executive branch appointed by the President and locally elected oblast councils. Most interviewees for this paper suggested that, at the oblast level, the focus should

be ensuring transparency of spending and maintaining minimum technical and administrative competence at the territorial community (hromada) level. Oblasts can monitor budgetary processes, support investment projects, coordinate infrastructure initiatives across multiple communities, and play a crucial role in disaster response and recovery efforts.

The State Regional Development Fund supports local governments through workshops on grant applications and financial accountability. Digital platforms like Diia, SMART Hromada, and Prozorro help communities streamline document submission and financial tracking. Programmes from UNDP and the EU offer simplified reporting procedures for under-resourced communities. However, there remains a need for more

targeted support for vulnerable communities affected by war or hosting internally displaced persons (IDPs).

The involvement of IDPs is emphasized as essential for inclusive and effective decision-making. Participatory planning requires transparency, accountability, evidence-based decision-making, and feedback mechanisms to maintain engagement and trust. Civil society organizations and NGOs also have an important role to play in adding capacity.

In summary, decentralization is currently viewed within Ukraine as essential, not only for the country's immediate post-war recovery but for its overall nation-building process.



War damaged apartment block in Borodianka © UN-Habitat Ukraine

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LIST OF ABBREVIATIONS

ACU - Association of Ukrainian Cities

ATCs - Amalgamated Territorial Communities

BMZ - *Bundesministerium für wirtschaftliche Zusammenarbeit und Entwicklung* (German Ministry of Economic Cooperation and Development)

CEO - Chief Executive Officer

EBRD - European Bank for Reconstruction and Development

ERA - Economic Resilience Activity

EC - European Commission

EU - European Union

IDPs - Internally Displaced Persons

IOM - International Organization for Migration

LSAs - Local State Administrations

MP - Member of Parliament

NGO - Non-Governmental Organization

OHCHR - Office of the United Nations High Commissioner for Human Rights

PB - Participatory Budgeting

PPP - Public-Private Partnership

RDNA - Rapid Damage and Needs Assessment for Ukraine

RMIT - Royal Melbourne Institute of Technology

SSR - Soviet Socialist Republic

UCLA - University of California, Los Angeles

UN - United Nations

UNDP - United Nations Development Programme

UN-Habitat - United Nations Human Settlements Programme

URC - Ukraine Recovery Conference

USAID - United States Agency for International Development

USAID-BDG - United States Agency for International Development Building Democratic Governance programme

USD - United States Dollar

General introduction to the thematic paper series

Four years since Russia's full-scale invasion of Ukraine in February 2022 – and close to 12 years since the illegal annexation of the Autonomous Republic of Crimea and City of Sevastopol in 2014 – war continues to inflict untold suffering on the Ukrainian people.¹ Hostilities since 2022 have caused widespread damage and destruction to Ukraine's built environment – from housing, utilities, and transport networks, to social infrastructure and cultural assets. In this compound crisis of urban systems, many cities have shifted focus from long-term development to continuous emergency repair and risk management. Most recent estimates put the cost of reconstruction and recovery at 587.7 billion USD – a figure that has grown year on year since 2022.² The sector incurring highest damage in dollar terms is housing: 14 per cent of the national housing stock, affecting some 3 million households, has been damaged or destroyed, requiring 61.1 billion USD for reconstruction and recovery needs.³ As at January 2026, around 3.7 million people have been displaced within Ukraine since 2022, with a further 5.8 million now refugees outside the country. This comes in the context of an earlier wave of conflict-related disruption and displacement from 2014.⁴

In a country that is 70 per cent urban by population,⁵ Ukraine's cities are central to both crisis and recovery. Total recovery and reconstruction needs are spatially concentrated in frontline areas and major urban oblasts.⁶ Urban centres are 'facing both supply constraints and high demand from displaced populations'.⁷ There is an urgent and pressing imperative to respond to impacts on the built environment and critical infrastructure amidst large-scale humanitarian need. Even as hostilities continue and despite funding constraints, the Ukrainian Government has a strong ambition to 'build back

better' – including a desire to revitalize existing towns and neighbourhoods through area-based approaches that support local-level investment and contribute to recovery,⁸ as flagged by the most recent *Rapid Damage and Needs Assessment 5*.⁹ The Assessment also highlighted that effective recovery planning requires reforms that enhance the institutional and technical capacity of the country's public sector to prepare, implement and monitor investment projects.¹⁰ Strengthened data collection and research is identified as one of the main priorities for a durable recovery.¹¹

Addressing the challenges now facing Ukraine demands a long-term analytical perspective stretching back even earlier than 2014 – to factor in Soviet and post-Soviet structural legacies that continue to fundamentally shape the conditions, constraints, and opportunities facing contemporary urban recovery planning. In particular, Ukraine's post-1991 transition produced privatized housing systems with fragmented ownership and maintenance backlogs, aging and underinvested infrastructure, deindustrialized urban economies and shrinking city dynamics, evolving decentralization reforms, and an increasingly mobilized civil society with expectations for democratic governance.

In this historical context, national, sub-national and sectoral recovery strategies need to be developed and implemented in ways that also embed measures to build capacity within the built environment professions. The war has affected the availability of Ukrainian expertise within urban development, which was already scarce pre-war. This presents a real risk to the Government's widely supported aim to build back better. While several organizations have emerged to support capacity development in Ukraine on urban and

1 In terms of mortalities, hostilities since 2022 have also left over 15,000 civilians dead, and injured over 41,000 others. (OHCHR, 2026).

2 World Bank Group; Government of Ukraine; European Commission; United Nations (2026)

3 The most recent *Rapid Damage and Needs Assessment 5* indicates that 74% of total damage since 2022 occurred in 4 sectors: housing (requiring 61.1 billion USD for reconstruction and recovery needs over the 10-year period 2026–2035; transport (40.3 billion USD); energy (24.8 billion USD); commerce and industry (19.2 billion USD). (Government of Ukraine, World Bank Group, European Commission & United Nations, 2026 p24). As the report notes, 'The total needs include expenses related to rebuilding with improved standards (...) and account for inflationary pressures' (World Bank Group; Government of Ukraine; European Commission; United Nations, 2026 p30).

4 Ukraine already had the highest number of internally displaced persons (IDPs) in Europe as at July 2021, with over 1.4 million people fleeing (Mikheieva & Kuznetsova, 2023 [for IOM]).

5 World Bank Group (n.d.) (2023 figures)

6 World Bank Group, Government of Ukraine, European Commission, United Nations (2026 p27)

7 World Bank Group, Government of Ukraine, European Commission, United Nations (2026 p24)

8 World Bank Group, Government of Ukraine, European Commission, United Nations (2026 p54)

9 World Bank Group, Government of Ukraine, European Commission, United Nations (2026)

10 World Bank Group, Government of Ukraine, European Commission, United Nations (2026, p11)

11 World Bank Group, Government of Ukraine, European Commission, United Nations (2026, p42)

territorial development and management, access to contextually relevant knowledge and best practices on these issues is still limited.

In response to urban recovery needs, UN-Habitat collaborates with the Ministry for Development of Communities and Territories of Ukraine, providing strategy and policy advice. In line with its mandate to promote socially and environmentally sustainable and resilient towns and cities, UN-Habitat supported a variety of not-for-profit and public Ukrainian entities to produce thematic documents on nine inter-related aspects of Ukraine's built environment. Each document considers the historical context and key issues of each topic in relation to urban recovery, presenting authors' valuable understandings of the respective topic.

Under the theme **Urban Governance**, the document '*Citizenship: Urban futures in Ukraine*' examines how civic participation and citizenship may interplay with inclusive and democratic urban recovery processes. The document '*Municipal Governance Issues in Ukraine*' identifies institutional and administrative features as well as opportunities and constraints affecting municipalities' capacity to engage with recovery. The document '*Decentralization and Recovery: Local Recovery Planning in Ukraine*' assesses how historic decentralization reform has shaped the role of local self-government bodies in planning and implementing recovery. Under the theme of **Urban Land**, the document '*Land and Property Issues in Housing and Urban Development in Ukraine*' covers the evolution of land ownership and property rights issues including in terms of their criticality to reconstruction and housing redevelopment. Under the theme of **Urban Planning**, the document '*Spatial Planning in Ukraine*' sets out the planning environment and associated frameworks guiding coordinated spatial reconstruction across national, regional, and local levels. Under the theme of **Urban Housing**, the document '*Housing Provision and Outcomes in Ukraine*' examines mechanisms through which housing is financed, delivered, and regulated, and is complemented by the document '*Tracing the Path of Social Housing in Ukraine*' which explores

the evolution of social housing and implications for expanding affordable housing provision. Under the final theme, **Urban Skills**, the document '*Built Environment Professionals: Education and Practice in Ukraine*' assesses the professional capacity available to plan, design, and implement urban reconstruction, while the document '*Built Environment Professionals: University Education in Ukraine*' evaluates higher education systems preparing future built environment professionals for reconstruction and urban development.

While many documents on recovery and reconstruction in Ukraine start from accounts of damage from 2014 and 2022, this series takes a longer perspective, actively exploring the selected themes across the Soviet and post-Soviet transition and reform periods.

Collectively, the series conveys the voices of academics, practitioners and civil society activists from diverse disciplines and backgrounds, representing local expert knowledge and experience rooted in the Ukrainian context. They offer a multi-dimensional diagnostic foundation and common language to inform evolving and multi-level discussions on the country's urban challenges and opportunities, as well as options for the future and how Ukraine might achieve them. In particular, the series aims to contribute to the continuing processes of decentralization and democratization. If decisions about towns and cities are to be driven locally and with context sensitivity, a wider literacy and shared understanding regarding the built environment, including its planning and management, is needed. The thematic documents respond to this need, increasing the availability and accessibility of knowledge on urban topics, and providing extensive references for further reading. UN-Habitat hopes the series will serve as a knowledge resource for policymakers, local officials, practitioners, development partners, researchers engaged in Ukraine's urban recovery, as well as general readers; and will contribute to recovery discourse, processes and outcomes that are context-appropriate, inclusive, resilient, and sustainable.

Introduction

Ukraine's decentralization reform has fundamentally reshaped the institutional landscape for both recovery in response to the ongoing full-scale invasion by Russia from February 2022, and longer-term governance transformation by reconfiguring the role of local governments as primary actors in planning, service delivery, and territorial development. Since 2014, fiscal and administrative powers have been progressively devolved to municipalities (*hromadas*), marking a decisive shift away from highly centralized, Soviet-era governance structures toward a more democratic, accountable, and place-based system of public administration. In the context of the current war from 2022, this reform underpins a move toward locally led, area-based recovery planning, better positioning authorities to respond to diverse patterns of damage, displacement, and economic disruption. At the same time, decentralization forms part of a broader post-socialist governance transition, aimed at strengthening institutional capacity, transparency, and multi-level coordination in line with European integration pathways, noting the government's policy for European alignment. However, this dual role also exposes challenges: these include uneven local capacity, resource constraints, and the need for coherent national frameworks to ensure that decentralized recovery efforts contribute to immediate reconstruction, and also to sustainable, inclusive, and system-wide governance reform over the long term.

This document is structured in six sections. **Section 1** introduces the purpose, scope and methodology of the paper, situating decentralization within Ukraine's wartime recovery and longer-term governance transformation. **Section 2** provides historical context, tracing earlier periods of centralized and decentralized governance and drawing lessons from previous reconstruction experiences. **Section 3** examines the contemporary decentralization framework, including legal, fiscal and institutional reforms, as well as the

effects of the full-scale invasion on centre–local relations. **Section 4** analyses recovery planning approaches, with particular attention to participatory mechanisms, digital tools and the influence of European integration aspirations. **Section 5** reviews selected principal stakeholders, programmes and platforms supporting decentralized governance, including national institutions, local authorities, civil society organizations, international partners and private actors. **Section 6** concludes by summarising key findings and identifying priority considerations for strengthening decentralized governance during recovery and reconstruction. Entry points for further research are also identified.

METHODOLOGY

This document is based on a combination of primary and secondary data. A series of semi-structured key informant interviews with five senior experts (Annex 1) drawn from the central government, regional support, and donor sectors was conducted in March to May 2025. Illustrative qualitative insights from interviewees are cited across the document. In parallel, a desk review of academic and grey literature was undertaken over the same period.

WORKSHOP TO REVIEW PRELIMINARY RESULTS

As for other documents in the current series, a workshop entitled *Urban Citizenship and Participatory Planning*¹² was run to present the document in outline, review preliminary results and gain feedback. Convening on 21 March 2025, the workshop was attended by a multi-stakeholder Ukrainian audience. The work was presented by co-author Ruslan Antonenko and was followed by a discussion moderated by Maksim Terletsky.

12 An article about the workshop appears on the AUU website at Альянс українських університетів провів два тематичних воркшопи | The Alliance of Ukrainian Universities

Historical context

Key dates in the ongoing decentralization reforms referred to in this document are shown in Figure 1: Key dates in decentralization establishment.

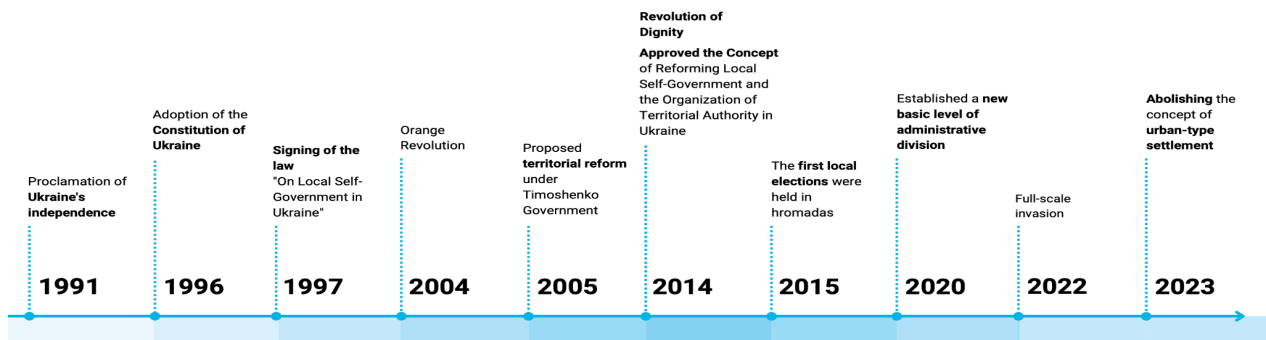


Figure 1: Key dates in decentralization establishment

PRE-1990s: CENTRALIZED GOVERNANCE AND TOP-DOWN RECOVERY EFFORTS

Introduction

Ukraine is now embarking on its second major post-war reconstruction in living memory, even as hostilities are ongoing. In contrast to the Second World War aftermath, this is the first reconstruction in which local communities have the potential to be the primary decision-makers on how rebuilding occurs. Previous reconstruction experiences provide important insights, but the current context - particularly the decentralized governance framework - requires new approaches. There is optimism that local governments will play an increasingly important role in shaping recovery through iterative, context-specific planning processes.

Ukraine has witnessed two periods where power was devolved to local decision-makers.

- The first occurred after the breakup of the Soviet Union in 1991 and was primarily a *de facto* informal process owing to the weakness of the national economy and the breakdown of traditional social services. An example of this type of informal decentralization was the rise of informal privatized transit systems and distributions systems that supplemented ailing state-provided alternatives. The 1990s also saw the rise of oligarchs whose domination of key industries sometimes extended to outsized influence in local economic and urban planning.

Yet, *de jure*, Ukraine's government remained highly centralized during this period.

- Ukraine's second decentralization, by contrast, occurred from a position of relative economic ascendancy in the second decade of the 21st century and was instituted at all levels of government. This was in contrast to the situation in the 1990s, when there was general concern that the devolution of power to regions and local areas would threaten the state's legitimacy, following the Revolution of Dignity in 2013 to 2014.¹³ Decentralization was reconceptualized as a broad-based state-building project that would strengthen Ukraine as a polity (Interview, Gurin, MP, Verkhovna Rada, March 2025). The goals of the Revolution of Dignity were to restore Ukraine's path to European Union (EU) accession after the departure of President Yanukovich.¹⁴ Today, the Revolution of Dignity is seen as the pivotal event in which Ukraine's path toward integration with the EU and, in particular, European principles of governance, was solidified (Wilson Center, 2024).

War-time governance, both in its more limited form following the 2014 Russian occupation of Donbas and Crimea and during the full-scale invasion from 2022, has evoked shadows of both of these earlier periods of tenuous decentralization. Like during the 1990s, the impacts of the invasion have led to the breakdown of social service provision to certain areas, particularly those close to the frontline. This has required citizens and communities to become self-reliant when, for example, repairing damaged housing, constructing self-built emergency housing from local materials, and acquiring generators and drinking water when

¹³ The Revolution of Dignity (2013 to 2014), also known as 'Euromaidan', refers to a period of mass protests in Ukraine that began in November 2013 and led to the removal of President Viktor Yanukovich in February 2014, marking a significant shift in the country's political direction.

¹⁴ Yanukovich was a Ukrainian politician and the country's fourth president from 2010 to 2014.

municipal services fail (Wilson Center, 2024). NGOs, both Ukrainian and international, have also stepped in to substitute for or augment existing social services.

However, certain aspects of Ukraine's wartime governance have been recentralized owing to the collapse of regional tax revenues and the massive amount of budgetary support from Western partners that flowed directly to the central government for distribution to the regions. For example, it has been noted that '*Temporary state bodies known as military administrations were created in each region and district to ensure the effective exercise of (...) powers (necessary to avert the threat) and to repel the enemy*' (Darkovich and Savisko, 2024).

Martial law¹⁵ has had a number of other impacts on local government. For example:

- Power has shifted away from local governments toward military administrations. In many areas, especially those close to combat zones, military-civilian administrations have replaced or superseded elected local officials (Baker McKenzie, 2026). Furthermore, as local elections have been suspended during martial law, some locally elected officials may be less responsive to voter concerns.
- Local governments have experienced reduced decision-making authority, particularly regarding security matters, curfews, movement restrictions, and resource allocation. Access to certain data sources has been restricted due to security concerns.
- Budget reallocations: As security spending takes precedence, local government budgets have been dramatically reprioritized toward defence and essential services, with many development projects and programmes deemed non-essential suspended or eliminated (Darkovich, 2023). Some of these non-essential programmes include those aimed at administrative reforms.
- Administrative challenges: Many local governments are operating with reduced staff as employees have been mobilized for military service or displaced by the conflict. Other public sector employees have seen delays in paid salaries and have had to resort to informal employment to make ends meet (Rabinovych et al, 2024).
- Emergency response coordination: Local authorities have had to rapidly adapt to coordinate

with military structures, handle evacuations, manage humanitarian aid distribution, and maintain critical infrastructure under wartime conditions (Keudel & Huss, 2025).

- Digital transformation: Many local governments have attempted accelerated digital service delivery to continue functioning despite physical disruptions. This tool has been particularly important for reaching displaced populations and facilitating public involvement in planning by displaced populations.
- Increased security responsibilities: Local officials have taken on expanded roles in territorial defence, shelter management, and critical infrastructure protection.

At the same time, as a result of the war, a number of major national and international programmes supporting local recovery impacting local governance. These include:

National programmes

- Ukraine Recovery Plan - Ukraine's government-led comprehensive recovery strategy that outlines priorities across multiple sectors (Cabinet of Ministers of Ukraine, 2024).
- State Fund for Reconstruction - A dedicated fund through which the Ukrainian government channels resources for rebuilding infrastructure (National Recovery Council, 2022).
- eRecovery Platform - A digital system for tracking reconstruction projects and ensuring transparency in the use of recovery funds (Ministry for Development of Communities, Territories and Infrastructure of Ukraine, n.d.).

International programmes

- Ukraine Recovery Conference initiatives - Multi-country pledges and programmes coordinated through periodic international conferences (Ukraine Recovery Conference, n.d.).
- EU Ukraine Facility - A €50 billion support package that includes grants and loans for reconstruction and reform implementation (European Commission, 2026).
- World Bank's Ukraine Relief, Recovery, and Reconstruction Trust Fund - Coordinating donor funds for critical infrastructure repair (World Bank Group, n.d.).

15 Nationwide martial law was introduced in Ukraine on 24 February 2022 following the start of the full-scale invasion by the Russian Federation.

- USAID Economic Resilience Activity - Prior to the order to shutter USAID by the Trump administration, supported economic stabilization and growth in Ukrainian communities (ERA, n.d.).
- UNDP Crisis Response and Resilience Programme - Focusing on restoring governance and essential services at the local level (UNDP, n.d.).
- European Investment Bank's Ukraine solidarity package - Financing for critical infrastructure rehabilitation.
- EBRD Ukraine Recovery Programme - Supporting private sector recovery and municipal infrastructure reconstruction (European Bank for Reconstruction and Development, n.d.).
- Regional donor programmes from countries including Poland, the Baltics, UK, and others.

While aid organizations are moving in the direction of 'aid localization' to improve transparency and local control of donor-funded projects, progress on this front is, as of yet, incomplete. Aid localization means taking steps to allow municipalities and local NGOs to apply directly for grants, whether these originate with the Ukrainian national government or foreign aid organizations, as opposed to having to rely on centralized distribution, as the latter can steer priorities away from what the community wants for itself (USAID, 2022).

Following numerous historical examples, including the United States following the Second World War and the Republic of Georgia following Russia's 2008 invasion, the aftermath of war often leads to a post-war governance framework more centralized than the pre-war framework. When war in Ukraine eventually recedes, the country may need to navigate trade-offs in the desire for decentralized control where this imperative comes into conflict with security concerns. In this sense, the degree and durability of decentralized governance and local recovery planning in the future will likely be influenced by external threat assessments. Another barrier to the ability of local entities to perform their own participative planning is the fact that, for so many communities, a substantial percentage of local voices cannot be present 'at the table' as they are either displaced internally or abroad. Indeed, one of the reasons why the full-scale invasion has been particularly traumatic for Ukrainian society is that, under normal times, relatively few families tended to move away from their home cities, a pattern which had underpinned the durability and utility of social networks (Cedos, 2024). While Ukraine, in coordination with NGOs, has thus far been inventive in developing ways to involve displaced populations in visioning and planning processes for their home communities, the

inability to have in-person bottom-up participatory planning remains a constant challenge. Even for non-displaced citizens, the environment of war shifts people's focus towards day-to-day survival, tending to make representative public participation in recovery planning challenging.

Local recovery planning after the Second World War

By the end of the Second World War, 40 per cent of Kyiv's buildings had been destroyed, including numerous churches and historic monuments (Euromaidan Press, 2018). Ukraine faced immeasurable war-related damage to industrial facilities, housing infrastructure, and transportation networks for freight and passengers. Cities throughout the Ukrainian Soviet Socialist Republic (SSR) suffered a similar fate.

The reconstruction of urban centres in Ukraine can be divided into phases. The immediate Post-War Recovery lasted from 1944 to 1950. It was focused on the emergency restoration of essential services, the clearing of rubble, mines, and unexploded ordnance, and the provision of temporary housing for returning residents.

The Major Rebuilding Phase (1950s) saw the full-scale reconstruction of Kyiv City Centre following a centralized master plan in which the Soviet Union sought to realize principles of socialist-realist architecture. These same principles were applied to other industrial cities throughout Soviet Ukraine and Belarus. Both Kyiv and Minsk emerged as large demonstration projects for communist architectural principles that prioritized the centrality of the state as codified in the urban form. The speed of reconstruction provided a chance to demonstrate the efficacy and superiority of the communist model of top-down decision making, labour specialization, and technocratic urban design that would not only house - but simultaneously mould - citizens into a socialist ideal. Even prior to the war, the Soviet government had made urban clearance and redevelopment core component of the communist state planning, as illustrated by the Haussmann-style reconstruction of Moscow in the 1930s. In this context, official Soviet narratives - while lamenting the loss of life - often framed the destruction of older buildings and neighbourhoods by fascist forces as creating an opportunity for modern redevelopment. Although the contemporary phrase 'build back better' was not used, a broadly comparable emphasis on reconstruction as a means of improvement can be observed. As such, the reconstruction of Kyiv was closely monitored

and promoted in the pages of Pravda.¹⁶ As early as 1945, this Soviet propaganda newspaper regularly promoted and kept tabs on the general reconstruction of Kyiv and the transformation of the left bank of the Dnipro. Allusion to the reconstruction of Kyiv feature periodically in Pravda through the late 1950s. This is generally seen as coterminous with the period during which the Soviet government framed urban planning in Kyiv as ‘reconstruction’ as opposed to general urban planning. Reference to the ‘reconstruction of Kyiv’ began to dissipate in 1957, at the beginning of the Khrushchev mass housing drive. At least rhetorically, Soviet discourse moved beyond a post-war reconstruction framing at this time.

Even in the context of a highly centralized administration, there is familiar sensitivity to historical conservation that yet emphasizes the need to turn the page. A typical framing from the pages of Pravda Ukrainy from the 1950s reads:

‘Kyiv is uniquely its own. It reflects a combination of the past, the present, the future. The city has experienced years of renewal and years of its rebirth. The fascists barbarously destroyed the entire Khreshchatyk and many other central highways and squares. On top of ruins, clearly, nothing can be rebuilt or restored. Here we had to clear away the rubble and to build everything anew, to build without repeating the old principles and architectural styles.’

(Pravda Ukrainy, 1954, 23 Feb)

By 1954, Soviet propaganda confidently proclaimed that “Kyiv is more beautiful, more personal and more comfortable than it was before the war!” (Pravda Ukrainy, 1954, 28 May). It also consistently emphasized the alleged superiority of top-down planning, asserting the Khrushchev himself was the ‘organiser and driving force behind the rapid reconstruction of Kyiv’ (Drozdenco, V. I., 1961).

Post-war Kyiv was positioned as a model city lauded not only for its structures but also for its green spaces.

‘Although Kyiv looks like a garden city, the number of green spaces in parks, gardens, streets and squares of the city has increased by five times. Gardens will be built. A hydropark is being created on Trukhanov Island. The workers of Moscow, Leningrad, and all the fraternal republics can reconstruct Kyiv.’

(Pravda Ukrainy, 1954, 28 May)



Figure 2: Image of new housing on Sverdlov and Pushkin Street constructed in Kyiv following WWII. Source: Pravda Ukrainy, 1954.

It was envisioned that the reconstruction would be a state-building effort that would unite disparate republics. Another parallel with current post-war reconstruction planning is the expectation that those contributing to Ukraine’s liberation from Nazi occupation would also leave a visible imprint on the rebuilding process. In that period, these actors were primarily the other Soviet republics, whereas contemporary reconstruction efforts are more closely associated with Ukraine’s current Western partners.

‘After the war we restored and rebuilt (...) thousands of good-quality houses. However, there is still not enough housing in the city and we must, in the coming years, identify vacant areas for construction of large residential buildings without demolishing existing houses.’

(Pravda Ukrainy, 1954, 23 Feb)

Almost all the focus of the state organs on postwar reconstruction was focused on the capital, while beneath this veneer, many small cities were never truly rebuilt. It is possible that this strong focus on Kyiv detracted attention from smaller cities. For

¹⁶ Pravda Ukrainy is a historic Russian newspaper whose name means ‘Truth’ in Russian. It was one of the most important official newspapers of the Communist Party of the Soviet Union and became a major instrument for communicating party policy, ideology, and state messaging during the Soviet era.

example, Koryukivka, where Nazis killed the entire population of 6,700 and burned the settlement to the ground, never recovered its prewar population. In addition, many small villages in areas that saw intense fighting (particularly in eastern Ukraine and around Kyiv) were abandoned after their destruction and are essentially lost to history. Soviet authorities often chose to consolidate surviving populations into larger settlements rather than rebuilding every small village.

Population movements after the war

While no large cities were abandoned, Ukraine had been steadily urbanizing in the leadup to the war. Ukraine today, by contrast, does not show the same demographic pull factors.

The 1926 Census recorded only 18.5 per cent of Ukrainians living within cities (Demoscope Weekly, n.d.). This share had increased to approximately a third of the population by the beginning of the war. Another factor that drove intense rural to urban migration was the Holodomor genocide and the belief that urbanity increased food security.¹⁷ Up to 95 per cent of Holodomor victims were rural residents. Urban residents had access to government and factory-provided food distribution systems. Additionally, urban areas had more ethnic Russian population and received more favourable treatment by the Kremlin. This combination of factors created a rapid rush to the cities following the war (Slaveski, 2021).

'By 1945, almost 100,000 urban residents in Kyiv had petitioned local authorities to provide them with land as "ogorodnichestvo" as the fertile 'unused state' land had already been gobbled up upon liberation earlier.'

(Slaveski, 2021 p39)

Soviet authorities employed a range of measures to manage the influx of new residents, including the

establishment of a controlled perimeter around the city to regulate entry. While return migration was needed to support reconstruction, labour supply and the restoration of public services, authorities sought to sequence and control arrivals in light of severe housing shortages and limited urban capacity. This temporarily created conditions in which Kyiv functioned as a highly restricted urban area. These measures illustrate the challenges of managing post-war reconstruction in contexts of significant return migration and population pressure, even under a highly centralized system of governance.

The Second World War permanently disrupted pre-existing urban social networks. In the early 20th century, 'Ukrainians constituted 80 per cent of the population of the Ukrainian provinces and dominated the countryside, while the Russians and Russified Ukrainians and Jews dominated the urban areas. Few Ukrainians migrated to and found employment in the cities' (Liber, 1993 p12). A quarter of the Kyiv population prior to the war was Jewish and was targeted by the Nazis. The post-war repopulation encouraged more ethnic Russians to resettle in Kyiv, many of whom replaced prior Jewish populations. Kyiv and its surrounding areas were rapidly repopulated after the war, with the population almost tripling between 1944 and 1946, but its new population composition was not the same as the old. Similarly, in Crimea, ethnic Russians occupied the homes of victims of the 1944 forced deportation¹⁸ of the Crimean Tatar population under Stalin. Mass resettlement from Russia, with respect to the occupied territories, constitutes another parallel with the current situation that will have to be resolved following the end of the war.

Labour for reconstruction

Stalin employed massive numbers of prisoners in forced labour to quickly rebuild cities, including those in the Ukrainian SSR. Stalin's willingness to use slave labour to rebuild quickly compensated for the overall lack of available manpower due to wartime losses.

¹⁷ The Holodomor refers to the forced starvation of millions of citizens of the Ukrainian Soviet Socialist Republic in 1932-1933 that has been recognized as genocide by more than 30 states. The Soviet policies that caused the Holodomor specifically targeted the peasantry. When the Stalin regime regained control from the Nazis, the fear of a potential return of forced starvation campaigns against the peasantry would have further incentivized rural-urban migration.

¹⁸ Several national parliaments and public authorities have formally recognized the deportation as genocide, including Ukraine.

‘Large numbers, prisoners were involved in the work of removing the rubble and restoring the cities destroyed by the war—Minsk, Kyiv, Stalingrad, Sevastopol, Leningrad, Kharkov, Lugansk and a number of others. They erected residential buildings, hospitals, cultural facilities, hotels and urban infrastructure. They also built in cities not affected by the war—Chelyabinsk, Sverdlovsk and Novosibirsk... Some cities (for example, Minsk) were rebuilt 60 per cent by prisoners, in Kyiv they restored the city centre and [in] Khreshchatyk.’

(Aphutin, 2021, in Topwar, 2021)

Future reconstruction in Ukraine under democratic governance conditions will not have access to comparable labour arrangements. It will also take place within a framework of property rights protections and in a social context that places importance on historical preservation. These factors are likely to make reconstruction processes more consultative and procedurally complex, which may affect the pace of implementation.

Another factor that sped reconstruction in the Soviet period was the creation of large scale economies in home construction, district heating, and energy production. These massive infrastructure projects were, at some level, efficient, yet they also encouraged additional administrative centralization due to spillover effects. They also - as has been shown by attacks on critical infrastructure - created severe vulnerabilities. For these reasons, when infrastructure is rebuilt, it will likely be on a smaller and more disaggregated scale, which is likely to be more conducive to decentralized governance.

Regional governance under socialism

While officially the Soviet Union was a strict top-down system, in reality, regional ‘clans’ greatly impacted governance. According to Simanovskyy and Kulikov (2024), this was particularly prevalent in the more industrialized eastern part of the country. Old party leaders clustered around four regional centres: Kharkiv, Donetsk (Stalino), Dnipro (Dnipropetrovsk), and Kyiv. The official prohibition of ideological factions by the Soviet government enhanced the strength of clans and created a substructure of regional governance beneath the official system (Simanovskyy and Kulikov, 2024). This clan-based structure replicated itself in a

slightly different form in the early years of Ukraine’s independence.

POST-SOVIET TRANSFORMATION (1990s-2014): EARLY DECENTRALIZATION ATTEMPTS AND GOVERNANCE SHIFTS

Rise of informal systems and de facto decentralization based on withdrawal of state support

State spending plummeted in the 1990s following Ukraine’s independence, impacting local governance: ‘Ukraine’s economy contracted annually between 9.7 and 22.7 per cent in 1991–1996’ (Sutela, 2012). Its national currency was underutilized, and many transactions were handled via barter. The breakdown of fiscal transfers from the central government to oblasts meant cities and town governments did not receive the required funds, and citizens groups were required to improvise in order to continue to deliver needed services. This created *de facto* decentralization outside of legal reforms. As noted by Sutela,

‘As the tax base grew narrower, attempts to increase tax revenue often meant that what could be taxed was taxed too heavily. This again forced many citizens and companies into the shadow economy.’

(Sutela, 2012).

A new class of oligarchs soon stepped into the power vacuum left by the state and gained controlling shares in key industries. They also asserted territorial control in relation to the location of these industries. In many regions, oligarch-controlled enterprises dominated local economies and created company towns, giving them excessive leverage over local government priorities and policies, preventing modernization of infrastructure or the address of environmental concerns (Kolisnichenko et al, 2006).

This arrangement was a side effect of Soviet economic policy, which prioritized economies of scale and often created ‘*monogoroda*’ or single-industry cities (Invisible Cities, n.d.). Once these single industries passed from state to private control, local communist party monopolies passed to private monopolies, sometime - ironically - involving prior communist party elites emerging as the new captains of raw capitalism. A similar process occurred throughout the former Soviet Union (Interview, Eldar Dyussetaev, Former Deputy Mayor of Karaganda, Kazakhstan, March 2025).

For these reasons, the development of responsive or representative local government was constrained, as candidates for mayoral office or city councils were not permitted to challenge established interests. Courts were also subject to manipulation. Oligarchs also established extensive patron-client relationships with local officials, creating parallel power structures that bypassed formal governance institutions. Additionally, they established media holdings that limited public access to objective information about local governance issues, thereby preventing transparency in local decision-making.

Early attempted reforms

Ukraine's Orange Revolution¹⁹ occurred in 2005 and led to the election to the presidency of Yushchenko. Yushchenko survived an assassination attempt to displace the Kremlin's preferred candidate Yanukovich, who was the sitting prime minister of long-term President Kuchma. In his attempts to make Ukraine's governance more transparent, President Yushchenko attempted an administrative and territorial reform in 2005 that was not ultimately successful but served as a blueprint for later decentralization reforms under Presidents Poroshenko and Zelenskiy (Mefford, 2021).

Bezsmertny was appointed acting deputy prime minister in charge of administrative and territorial reform and would often state that he would resign if the reform was not passed. Bezsmertny, however, soon faced resistance when pushing for the plan amongst political elites, and the reform was not initially realized. A media source at the time observed that:

'Among other things, the administrative-territorial reform provides for the liquidation of district state administrations, and their current functions are planned to be transferred to local self-government. It is understandable that this formulation of the question does not really please thousands of local officials who currently hold "bread positions" in district state administrations.'

(Lavrenyuk, 2005)

Ukraine's other test case of regional governance was the granting of additional autonomy to Crimea,

which was officially a republic and thereby had greater autonomy than other territorial units within Ukraine. Crimea had its own constitution, parliament (the Verkhovna Rada of the Autonomous Republic of Crimea), and the Crimean Tatar Mejlis. Governance in Crimea, therefore, served as a test case of what a more federalized structure of Ukraine might look like. Crimea's unique status was also bolstered by the return of thousands of ethnic Tatars indigenous to Crimea who had been exiled by Stalin a half-century earlier (Kowal, 2023).

BALANCE OF POWERS

Despite a clear legislative framework (Verkhovna Rada of Ukraine, 1996),²⁰ the implementation of decentralization faces challenges such as inconsistent laws, frequent amendments, and conflicts between central and local authorities. One critical issue is the overlap of responsibilities, particularly between local governments and state administrations. This often leads to inefficiencies and bureaucratic bottlenecks, impeding the effective distribution of powers.

Local capacity

A major obstacle to effective decentralization and governance in Ukraine is the shortage of qualified personnel at the local level. Many territorial communities face significant challenges, including a lack of skilled administrative staff capable of managing public services efficiently. Additionally, restricted access to digital tools and data-driven governance hampers the ability of communities to implement modern administrative practices (Decentralization in Ukraine, n.d.). Several capacity-building initiatives have been introduced to address gaps. The EU has funded decentralization support projects aimed at strengthening local governance (European External Action Service, 2025). Training programmes led by the Association of Ukrainian Cities and other local government platforms provide practical knowledge and skill development.

Redistribution of financial resources

A key challenge in Ukraine's decentralized governance is the redistribution of financial resources. Cities like Dnipro generate substantial local revenue, yet a significant portion must be transferred to the central

¹⁹ Mass protests in Ukraine in 2004 to 2005 over disputed presidential elections, resulting in a repeat vote. The repeat vote was won by Victor Yushchenko.

²⁰ The Constitution of Ukraine sets out the principles of local self-government, particularly in Articles 5, 7, and 140-146 (Verkhovna Rada of Ukraine, 1996).

government, limiting their capacity for reinvestment in local development. This financial constraint is further compounded by reliance on intergovernmental transfers, such as subsidies and equalization grants, which create fiscal uncertainty. To address these challenges and enhance local financial autonomy, Dnipro has implemented several strategic measures. Public-private partnerships (PPPs) have been introduced to attract external investment, reducing the city's dependence on state funding (UkraineInvest, 2020).

At the same time, local economic policies have been strengthened to encourage entrepreneurship and business development, fostering a more self-sustaining municipal economy. Additionally, the city has leveraged digital governance tools to improve tax collection efficiency and streamline public service delivery, ensuring better management of available resources (Ingram & Vora, 2024).

Impacts

Ukraine's decentralization reforms aimed at reshaping governance and core-periphery relations by empowering local *hromada*-level²¹ self-governance at the expense of *raions* (districts), *oblast* (regions), and national control. As a result, regional powers, including comparative fiscal resources, were weakened, and responsibilities were redistributed to local communities, particularly within the framework of Amalgamated Territorial Communities (ATCs).²² The reforms changed oblasts' role from direct management to coordination and oversight. In addition, financial resources flowed more directly to the community level, bypassing some oblast control. The reform was also instrumental in strengthening local self-governance, fostering increased public participation in urban planning. While an earlier view had held that decentralization of power would weaken Ukraine's status as a unitary state, the new reform was aimed at using broad-based civic participation to reinforce national unity and state-building.

According to MP Gurin, the need to decentralize had long been blocked by the Yanukovich administration (Interview, Gurini, MP, Verkhovna Rada, March 2025). After Yanukovich's fall in 2014, decentralization efforts proceeded rapidly and were widely popular across

political divisions. An initial champion of the reforms was Groysman, Poroshenko's second prime minister and the former mayor of Vinnytsia. Groysman's advocacy for decentralization was key to convincing the leaders of almost all parties that decentralization would be the primary tool for moving beyond the Yanukovich era.

One of the key motivations for decentralization was the outdated nature of Ukraine's previous governance model which was highly centralized and ineffective, providing inefficient service delivery, an inequitable distribution of resources, and financial dependencies. Groysman introduced financial decentralization by shifting control over tax revenues to local governments. The principle driving this change has since been described as '*Where the money is, there is power*' (Interview, Gurini, MP, Verkhovna Rada, March 2025), underscoring the importance of fiscal control in the decentralization process. The reform quickly gained popularity as communities began to see tangible benefits from their newly acquired financial autonomy.

In terms of economic and financial decentralization, local communities were granted greater control over their own fiscal resources, including a larger share of tax revenues, in accordance with Article 69 of the *Budget Code of Ukraine* (Verkhovna Rada of Ukraine, 2010), which defines the composition of revenues to local budgets. The reform encouraged municipal competition for investments, incentivizing local economic growth and development.

A key informant interviewee viewed that the effects of decentralization have become visible: roads are being repaired, architectural competitions have been launched, new public spaces are emerging, and public involvement in decision-making is more active than ever; and that this reflects the growth of local budgets (Interview, Bondar, MP, Verkhovna Rada, April 2025).

DECENTRALIZATION IN THE CONTEXT OF THE FULL-SCALE INVASION FROM 2022

The decentralization process proved vital in wartime crisis management by allowing local communities to respond swiftly to war-related challenges, ensuring the efficient provision of aid and coordination of defence efforts. Furthermore, it strengthened horizontal

21 In Ukraine, the three principal subnational tiers are: *hromada* (громада; territorial community/municipality), the basic unit of local self-government; *raion* (район; district), an intermediate administrative level; and *oblast* (область; region/province), the highest subnational administrative tier.

22 Ukraine's Amalgamated Territorial Communities (ATCs) were larger municipalities created under decentralization reforms launched in 2015. The process began on a voluntary basis but was completed through nationwide administrative consolidation in 2020.

voluntarism,²³ a key factor in enhancing wartime resilience. By fostering local initiative and self-reliance, decentralization played a crucial role in sustaining national stability during times of crisis.

However, key informants interviewed for the current document highlighted that, although decentralization had been tested and proven effective, the process is currently stalled due to constitutional constraints exacerbated by the ongoing war (Interview, Bondar, MP, Verkhovna Rada, April 2025; Interview, Gurini, MP, Verkhovna Rada, March 2025). Critically, both predicted that once martial law is lifted, a new wave of decentralization reforms will likely emerge expeditiously, bringing further opportunities for local governance.

Another wartime impediment to local governance is military taxes that communities are required to pay into the state budget, significantly reducing available funding to local self-government bodies. At the same time, many communities face a decline in population, economic activity, and local tax revenue. In the view of Bondar, some communities may need to merge or consolidate to remain viable (Interview, Bondar, MP, Verkhovna Rada, April 2025). These shifts highlight the urgent need to reform tax regulations to adapt to the new reality.

Strategic recovery planning responds to the extensive damage caused by the ongoing war, focusing on infrastructure reconstruction, economic revitalization, and social cohesion. While these plans aim to reinforce decentralization by positioning local governments as key actors, they also expose an unresolved tension: the balance of authority between central and local levels will need to be continuously renegotiated after the war, influenced by both security imperatives and EU accession requirements.

CURRENT CHALLENGES AND ADVANCEMENTS WITH DECENTRALIZATION

At the time of writing, the course of decentralization remains a hotly contested and widely reported public discussion in Ukraine. Some of the issues that remain unresolved include the ongoing tension between the Committee on the Organization of State Power, Local Self-Government, Regional Development and Urban Planning²⁴ and the Association of Cities of Ukraine (ACU).²⁵ The central government tends to view supervision as a mechanism for oversight and accountability, while many communities perceive it as potentially limiting local autonomy.

Another major point of discussion at the time of writing is Bill No. 4298 '*On Amendments to the Law of Ukraine 'On Local State Administrations' and Certain Other Legislative Acts of Ukraine Regarding Reform of the Territorial Organisation of Executive Power in Ukraine*' (Verkhovna Rada of Ukraine, 2020). The bill was originally drafted in 2020 and passed its first reading. It aims to reform local state administrations (LSAs) and establish a supervision mechanism, but has been repeatedly rewritten, notably with 'each revision trending toward increased centralization' (Vedernikova, 2025).

Complications regarding decentralization

Decentralization presents several complications. In some cases, it can risk exacerbating rather than alleviating spatial inequalities, particularly in the case of communities whose local tax base has been undermined by the war. Additionally, significant variations in institutional and administrative capacity across cities - which have also been impacted by wartime population movements - to inconsistent outcomes, resulting in a heterogeneous landscape of development and governance (Keudel & Huss, 2025).

A key informant interviewee for the current document perceived that communities face several significant challenges in the recovery and planning process (Interview, Bondar, MP, Verkhovna Rada, April 2025). First, current legislation requires each

23 Horizontal volunteerism refers to peer-to-peer, community-based voluntary action across society rather than top-down state direction.

24 This is a standing parliamentary committee of the Verkhovna Rada of Ukraine responsible for legislation and oversight concerning local self-government, decentralization, regional development, and urban planning.

25 The Association of Ukrainian Cities is a national representative body for local governments in Ukraine. It brings together municipalities and advocates their interests in relations with the national government, parliament, and international partners.

community to develop both a recovery plan and a recovery programme. However, the interviewee reported widespread confusion at the local level, with unclarity about the difference between a 'plan' and a 'programme' in this regard. The interviewee further perceived a lack of clarity in the law itself, with no clear guidance provided despite Ministry advice that both documents are mandatory. This situation has led to uncertainty and inconsistent approaches across different communities, each of which operates under unique circumstances.

Second, following Ukraine's 2020 spatial planning reform,²⁶ urban development and land management documentation were integrated, creating a requirement for comprehensive territorial community plans. This new format is both expensive and time-consuming to prepare, and many communities lack the financial resources, technical capacity, or administrative support to produce them. A simplified version of these comprehensive plans is needed to make the process more accessible and achievable for all communities. Furthermore, the absence of functional zoning coordination between neighbouring communities creates additional obstacles, causing planning processes to stall and hindering effective regional development.

As noted by a key informant interviewee, martial law has also exposed contradictions in decentralization, as centralized control became necessary for crisis management (Interview, Ginkul, Former staff, Local Development and Reforms Center, Mar 2025). Additionally, international donors including the EU, European Bank for Reconstruction and Development (EBRD), and USAID have influenced reforms in ways that have been perceived at times to prioritize national economic development plans over local needs (Ilyniak, 2024).

Challenges in governance and decision-making

While decentralization was aimed at empowering local authorities, the introduction of regional prefects with power to suspend local decisions raises concerns about recentralization. The decentralization process is also complicated by security concerns, particularly in the context of Russian aggression (Keudel &

Huss, 2025). While decentralization can enhance

local democracy, it risks regional fragmentation if not properly managed. Ukraine faces pressure from external actors, such as the EU and international donors, who support decentralization but require stronger governance reforms (Kruglashov & Sabadash, 2022).

Furthermore, the regional level remains largely unreformed, continuing to function as a state-controlled entity with limited representation. Local revenues, while nominally decentralized, are still processed and controlled by the central government through the tax office and the Ministry of Finance, restricting true fiscal autonomy at the municipal level (Kruglashov & Sabadash, 2022).

At local level, territorial hromadas in Ukraine are legally recognized and possess defined powers and financial resources. However, their ability to exercise full autonomy in practice remains uneven. Ensuring legal supervision and financial independence for communities would be crucial in making decentralization effective and sustainable in the long term.

One of the key challenges identified by a key informant for the current document is that the Ministry currently lacks the capacity to conduct analytical tasks related to cities' self-reported estimates of their likely growth trajectory, which limits informed decision-making (Interview, Melnychuk, Former staff, Ministry of Infrastructure, May 2025). For example, where cities often plan on the basis of growth-oriented assumptions, there may be limited consideration within decision-making processes of alternative demographic scenarios. Concepts such as 'smart shrinking' are relevant in light of Ukraine's long-term demographic trends, yet there appears to be limited existing policy or planning documentation addressing this issue. Furthermore, it has been highlighted that Ukraine lacks a national urban policy akin to examples such as Poland (Ministry of Funds and Regional Policy of Poland, 2022), which makes it difficult to tackle growing inequalities between more and less active municipalities (Interview, Melnychuk, Former staff, Ministry of Infrastructure, May 2025). Furthermore, there is currently no national framework in place to promote balanced regional development, contributing to uneven territorial outcomes and disparities leading to a landscape of 'winners and losers'.

²⁶ The integration of urban development and land management documentation in Ukraine was principally introduced by the Law 'On Amendments to Certain Legislative Acts of Ukraine Regarding Land Use Planning' No. 711-IX of 17 June 2020, which established 'Comprehensive Plans for Spatial Development of Territorial Communities' as the core local planning instrument (Verkhovna Rada of Ukraine, 2020).

Advancements with decentralization and recovery planning

The Euromaidan Revolution of 2013 to 2014 ignited democratic aspirations that significantly reshaped local governance and urban planning in Ukraine. Reforms introduced participatory mechanisms, such as participatory budgeting, enabling citizens to actively influence local decision-making. Participatory budgeting (PB) was first introduced in Cherkasy, Poltava, and Chernihiv in 2015 with support from the Polish-Ukrainian Cooperation Foundation (PAUCI). By 2021, Ukraine had become one of the leading European countries in participatory budgeting, following Poland, Portugal, and Spain (Gentile & Salukvadze, 2024). More than 233 municipalities had implemented PB, making it a key element of urban planning and public service delivery. This shift allowed local governments to allocate resources for urban recovery without excessive national oversight. Municipalities gained control over public service delivery, improving urban resilience and recovery planning. Digitalization further enhanced local recovery planning through the adoption of digital participatory budgeting platforms developed

by NGO Social Boost and the East Europe Foundation's *E-Governance for Accountability and Participation Program* (EGAP). These digital tools improved transparency and broadened citizen participation by allowing more people to propose and vote on local recovery projects.

Although there are no official documents solely dedicated to recovery planning, progress has been made through parallel efforts initiated by different ministries in 2022 (Interview, Melnychuk, Former staff, Ministry of Infrastructure, May 2025). Around 170 municipalities have begun developing recovery-related plans, and approximately 50 territorial communities are receiving international support. In 2023, the Kyiv Region also started developing its own programmes. These initiatives, while not part of a unified recovery strategy, have been modelled on practices from Germany (as regards integrated planning) and Poland (as regards revitalization programmes). NGOs are engaged in various aspects of planning, including spatial planning and cartography, some of which has previously received support from USAID.

Guiding principles, references, and approaches for local recovery planning

Actors at the national, oblast, and community levels, together with volunteers and residents, all undertake direct action to address the consequences of war. Their efforts include rebuilding infrastructure, delivering essential services, digital tools, guidelines (Brik & Murtazashvili, 2022) and approaches for recovery of damaged areas, according to the Resolution 'On Approval of Procedures for the Restoration and Development of Regions and Territorial Communities' (Cabinet of Ministers, 2023). Often civil society organizations (CSOs) offer expert support in drafting development strategies and recovery plans — documents that often become the basis for engaging with donor programmes.

Implementing a comprehensive digital and data-driven planning system in Ukraine holds significant promise for sustainable development and improved governance. While challenges such as costs and data privacy must be addressed, the benefits of enhanced decision-making, transparency, and resource optimization present a compelling case for embracing digital transformation in urban and rural planning. Such tools facilitate real-time data sharing among government agencies, private sector stakeholders, and the public, supporting cohesive and informed decision-making.

DIGITAL PLATFORM FOR RECOVERY PLANNING

The Digital Restoration Ecosystem for Accountable Management (DREAM) is Ukraine's official digital platform created to oversee and manage the country's reconstruction efforts in a transparent, efficient, and accountable manner. Launched in June 2023, DREAM functions as a centralized ecosystem that documents and monitors recovery projects throughout their entire lifecycle, from the initial idea and planning phase to procurement, implementation, and completion.

The system operates by allowing local authorities, government agencies, and municipalities to submit project proposals, which are then registered and tracked within the platform. Each project is assigned a unique identifier and accompanied by a digital project card, which provides comprehensive information about the project's objectives, budget, timeline, contractors, and current status. A key feature of DREAM is its integration with existing national digital registers and databases. This enables the platform to link to data on damage assessments, budget allocations, procurement

processes, and infrastructure development, making it possible to view the complete picture of any recovery effort in one place.

The platform brings several clear advantages. It improves coordination between different levels of government and external partners, enabling more strategic allocation of resources. It accelerates decision-making by offering real-time, reliable data. It also empowers the public to hold institutions accountable for the quality, speed, and outcomes of recovery projects. As of 2025, DREAM has already registered 11,304 projects and ideas. Given that the total estimated cost of Ukraine's reconstruction exceeds 570 billion USD (Ukrinform, 2025) such a system is essential for managing both scale and complexity (DREAM, n.d.).

Funding for these activities comes from local budgets, international partnerships (such as sister cities), humanitarian aid, volunteer initiatives, and targeted government grants. However, there is a need to increase available funding (Lukyanova & Martsynkevych, 2023). One important opportunity lies in accessing additional, non-budgetary sources such as international financial institutions. Public involvement plays a key role in securing external funding, setting development priorities, and ensuring transparency in project implementation and financing.

EU INTEGRATION INFLUENCE ON LOCAL GOVERNANCE AND PLANNING

The twin concepts of territorial cohesion and competitiveness, which have long informed European integration and internal development, remain highly relevant. Decentralization, territorial development, and effective place-based policies continue to be important instruments for advancing these goals.

In 2023, the EU established the *Multi-agency Donor Coordination Platform* (European Commission, 2023) to oversee financial aid distribution and reconstruction programmes. Key emphasis has been put on a place-based approach to reconstruction, aiming for rebuilding efforts that are not only technically effective but also socio-spatially inclusive, fostering balanced regional development. This strategy aims to support Ukraine's long-term recovery while strengthening local governance structures, ultimately paving the way for sustainable development and European integration.

Participatory planning and recovery planning

PARTICIPATORY PLANNING

In Ukraine, participatory planning has gained increasing relevance, particularly in the context of decentralization and post-socialist urban transformations. According to the Law of Ukraine “On Regulation of Urban Development Activity” (Verkhovna Rada of Ukraine, 2011), public participation is a mandatory component of spatial planning procedures. This includes public hearings during the development of detailed plans of territories and general plans of settlements. Residents are entitled to review zoning documentation, submit proposals, and receive feedback from planning authorities (op.cit.).

Moreover, Resolution No. 555 ‘On Approval of the Procedure for Conducting Public Hearings Regarding Consideration of Public Interests during the Development of Draft Urban Planning Documentation at the Local Level’ (Cabinet of Ministers, 2011) outlines procedures for conducting public discussions, emphasizing transparency and inclusive access to planning documents. These legal norms empower citizens to influence decisions on environmental sustainability, land use, and infrastructure development. For instance, communities may initiate local referenda or civic fora under the Law ‘On Local Self-Government in Ukraine’ (Verkhovna Rada of Ukraine, 1997), reinforcing community-driven approaches to spatial and socio-economic development.

In practice, participatory planning in communities is still evolving. A key informant interviewee observed that participatory planning takes place at various levels but notably not at the state level (Interview, Bondar, MP, Verkhovna Rada, April 2025). While some communities have initiated inclusive processes such as community consultations and participatory budgeting, these are not yet systematic across the country:

‘In larger cities, citizens tend to be more active in engaging with local governance. However, this doesn’t always translate into impact, as mayors often fail to listen to their input. Advisory Councils (Погоджувальна рада) have the potential to mediate conflicts and provide valuable recommendations to mayors. Unfortunately, these councils are either ineffective or completely absent in many areas. In smaller

towns, public engagement is much lower. People often lack the capacity, knowledge, or confidence to participate meaningfully in planning processes.’

(Interview, Bondar, MP, Verkhovna Rada, April 2025).

The *State Strategy for Regional Development 2021–2027* (SSRD) (Cabinet of Ministers of Ukraine, 2020) and its accompanying action plans also emphasize the role of participatory planning. However, as noted by the OECD, actual implementation has often fallen short, with limited functionality of vertical and horizontal coordination mechanisms and underutilized engagement of non-governmental actors (OECD, 2022). The SSRD framework formally acknowledges civil society and private sector involvement but lacks sufficient tools and mandates for ensuring this participation during implementation (Schmäing, 2024).

RECOVERY PLANNING

Nationally, the recovery planning process is managed by a multi-level governance architecture. The Verkhovna Rada and Cabinet of Ministers are responsible for legislative and strategic oversight. The Ministry for Development of Communities and Territories of Ukraine, commonly referred to as the Ministry for Restoration, plays a central operational role, while the Ministry of Economy coordinates the *Ukraine Plan 2024-2027* (Ministry of Economy of Ukraine, 2024) under the EU’s Ukraine Facility (EC, n.d.). The State Recovery Agency is tasked with implementing projects that local governments may not have the capacity to execute independently. While these institutions form the backbone of national recovery policy, civil society organizations and municipalities remain underrepresented in formal decision-making structures, such as the National Council for Recovery (Cabinet of Ministers of Ukraine, n.d.), raising concerns about the inclusivity and responsiveness of the process.

Recovery planning goes beyond immediate reconstruction; it is a long-term process aimed at transforming Ukrainian communities into more resilient, inclusive, and sustainable places to live. This includes restoring social services, rebuilding infrastructure, stimulating local economies, and embedding environmental and climate considerations into development strategies (Darkovich, 2023). Moreover, well-planned recovery supports broader goals such as democratic governance, regional development, and European integration.

A central challenge in recovery planning lies in financing. Although Ukraine has established numerous national funds, such as the *Fund for the Liquidation of the Consequences of Armed Aggression* (Cabinet of Ministers of Ukraine, 2023), the *State Fund for Regional Development* (SFRD) (Cabinet of Ministers of Ukraine, 2020), and the *Energy Efficiency Fund* (EEF) (Energy Efficiency Fund, n.d.), these are variously underfunded, inconsistently allocated, and heavily centralized. For example, while the SFRD is legally entitled to receive 1 per cent of the national budget's general fund, it has never been fully funded and, in 2024, was not allocated any budget at all. Additionally, projects financed through these funds often lack the investment components necessary for economic revitalization, focusing instead on social infrastructure. Local governments, particularly in smaller or conflict-affected communities, frequently lack the institutional capacity to prepare high-quality project proposals or co-finance initiatives. These limitations reinforce inequalities and hinder effective recovery.

Efforts are underway to improve transparency and decentralization within recovery planning. Legislative initiatives propose mechanisms such as allowing citizens to vote for preferred regional development projects via the *Diia* e-governance platform (Lukyanova & Martsynkevych, 2024). However, this approach faces criticism for being overly simplistic and potentially misaligned with expert-driven planning needs. A more sustainable solution would be to enhance public consultation and strengthen project evaluation mechanisms. Importantly, place-sensitive planning

is now recognized as a cornerstone of national policy. This approach differentiates territories into categories - such as restoration areas, growth poles, and sustainable development zones - based on socio-economic indicators, war-related damage, and demographic shifts. Targeted development measures are then tailored to each category. Furthermore, recovery planning is increasingly linked to regional development strategies. Regional and district-level military-civilian administrations are collaborating with municipalities to define priorities for funding and reconstruction. For example, joint planning mechanisms under the *Congress of Local and Regional Authorities* (Council of Europe, n.d.) enable better alignment between national objectives and local needs. However, tensions remain regarding the authority to define recovery plans; while local councils are legally entitled to do so, they are often overruled by regional administrations with enhanced powers under martial law.

Ukraine's recovery planning process reflects both the extraordinary pressures of wartime reconstruction and the resilience of its decentralized governance system. While funding gaps, capacity limitations, and centralization persist as barriers, there is a growing push - both from within Ukraine and by its international partners - for a more participatory, transparent, and regionally tailored approach to rebuilding (Lukyanova, & Martsynkevych, 2023). For recovery to be truly transformative, municipalities must be equipped not just with resources but also with authority and voice in shaping their own future.

Stakeholders, programmes and operational platforms enabling decentralized governance

While decentralization in Ukraine is often understood through legislative reform and changes in administrative structures, its practical success depends equally on the wider ecosystem of institutions, actors, financing mechanisms, and coordination platforms that enable local governance. Decentralization reform has created new responsibilities for hromadas, municipalities and regional authorities, requiring – and providing new opportunities for – strengthened partnerships with civil society, the private sector, international donors, and digital service providers. This section therefore examines an illustrative selection of principal stakeholders, programmes and operational platforms that enable decentralized governance in practice. It highlights how these actors contribute to local service delivery, participatory decision-making, accountability, recovery planning and institutional resilience, particularly in the context of war and reconstruction.

CAPACITY-BUILDING INITIATIVES FOR LOCAL SELF-GOVERNANCE

Since 2017, the NGO *Open Society of Ukraine* has been running a *School of Local Self-Government*. The school offers participants a deeper understanding of how local governance works and how to organise civic initiatives. A key part of the programme involves working in teams to design practical steps for improving their own communities and contributing to broader change in Ukraine (Rabinovych et al, 2024).

The *Institute of Political Education* has been active since 2001, running a variety of initiatives focused on developing a democratic culture in Ukraine. Their work includes support for local self-governance, parliamentary processes, Ukraine's integration with Europe, and civic education (Institute of Political Education, n.d.). In 2023, they launched *Unbreakable Communities. Restoring Ukraine Together!*, a project aimed at equipping active women from both the public sector and local government with skills to navigate the realities of life under martial law. It also helps create a network for ongoing peer learning and the exchange of practical solutions. At time of writing, 250 participants have joined.

MERGER OF MINISTRY OF INFRASTRUCTURE WITH MINISTRY FOR DEVELOPMENT OF COMMUNITIES AND TERRITORIES OF UKRAINE

In December 2022, Ukraine consolidated its infrastructure and regional development efforts

by merging the Ministry of Infrastructure with the Ministry of Communities and Territories Development, forming the Ministry for Communities, Territories, and Infrastructure Development. This unified body oversees a broad spectrum of responsibilities, including transportation infrastructure, regional development, housing policies, and community services. The merger reflects an effort to adapt central government structures to the needs of decentralized governance, particularly in coordinating reconstruction and service delivery across regions and territorial hromadas.

LOCAL ADMINISTRATIONS AND MUNICIPAL GOVERNMENTS

In Ukraine's administrative framework, oblasts function as regional administrative units positioned between the national government and hromadas. Each oblast is administered by a dual system comprising:

- The executive branch, led by a head appointed by the President of Ukraine upon the Cabinet of Ministers' recommendation. The Oblast State Administration (OSA) is responsible for implementing national and regional policies within the oblast.
- The oblast council, a locally elected legislative body that oversees the OSA's activities and addresses regional issues.

This dual structure is central to Ukraine's decentralization model, as it combines continued state oversight through appointed administrations with democratic regional representation through elected councils, thereby seeking to balance national coherence with greater subnational self-governance.

ROLE OF THE OBLAST

Key reforms, such as the 2014 decentralization initiative and the establishment of regional development agencies, have enhanced the country's ability to plan and deliver public services at multiple levels of government. Despite these advancements, several challenges persisted at the onset of the war, particularly in the areas of strategic planning, coordination across government levels, and the availability of data and expertise for effective policy implementation.

While strategic planning is essential, Ukraine faces an equally urgent need to strengthen its implementation capacity, especially at the oblast level, where mechanisms remain underdeveloped. Most key

informants interviewed for the current document suggested that the optimal role of the oblast as a governmental unit is to aid in transparency of spending, as well as in ensuring a minimum level of technical and administrative competence at the hromada level. Regional development agencies serve as key partners in driving recovery and long-term development if effectively supported. Non-governmental actors - such as civil society organizations, businesses, and academic institutions - also have the potential to contribute meaningfully to the implementation and evaluation of development strategies, but their roles are currently limited by the structure of national policy frameworks. Drawing on recent experience with these groups during wartime collaboration could enhance their future involvement in recovery efforts. Finally, many municipalities were still in the process of developing the necessary skills and systems to support regional policy goals before the war. As Ukraine transitions to recovery, boosting local technical capacity, improving stakeholder engagement, and establishing clear performance indicators will be critical to successful execution of regional and local development strategies.

Currently, the *State Regional Development Fund* (SRDF) supports local governments by providing workshops on grant applications and financial accountability, helping them improve their funding management capabilities. In addition, digital platforms such as *Diia* (Ministry of Digital Transformation of Ukraine, n.d.), *SMART Hromada* (Social Boost, n.d), and *Prozorro* (Prozorro, n.d.) enable communities to streamline document submission and financial tracking, enhancing transparency and efficiency. To further assist under-resourced hromadas, programmes implemented by entities such as UNDP and the EU²⁷ offer simplified reporting procedures for local authorities with limited capacity, helping them access essential funding without imposing excessive bureaucratic barriers. However, there is a growing need for more targeted support for the most vulnerable communities, particularly those affected by war, located in remote areas, or hosting IDPs. Expanding the use of automated reporting tools would further reduce the administrative burden and minimize reliance on manual paperwork, allowing local governments to focus on service delivery and development.

INTERNALLY DISPLACED PERSONS

The involvement of internally displaced persons (IDPs) is important to inclusive and effective local decision-making. In the context of decentralization, meaningful participation by IDPs helps ensure that local authorities respond to the needs of rapidly changing populations and strengthens the accountability of community-level governance. Several communities have adopted promising practices, including consultative bodies with IDP representation, partnerships with NGOs to facilitate dialogue, and participatory needs assessments. These approaches help incorporate the perspectives of displaced, marginalized, occupied or evacuated populations into local planning, particularly for recovery and resilience. Evidence-based planning, drawing on data, local knowledge and expert input, further supports decisions grounded in actual needs (Verkhovna Rada of Ukraine, 2015). Regular feedback mechanisms, including updates on outcomes and opportunities for revision, are also important for sustaining trust and engagement.

CIVIL SOCIETY ORGANIZATIONS

Civil society organizations (CSOs) in Ukraine play a crucial role in strengthening democracy, supporting human rights, and providing social services, especially in times of crisis (Alliance of Ukrainian Civil Society Organizations, n.d.). In the context of decentralization, CSOs can help improve local accountability, citizen participation, and the responsiveness of municipal authorities by acting as intermediaries between communities and government institutions.

A significant portion of funding for Ukrainian CSOs comes from international organizations, foreign governments, and global foundations. Key donors include the European Union (EU), the United Nations (UN), and other governmental agencies from countries including Germany, the United Kingdom, and Canada. International NGOs, such as Open Society Foundations and the National Endowment for Democracy (NED), also provide financial support for democracy, human rights, and social initiatives (Hatsko & Darkovich, 2024).

INTERNATIONAL ACTORS AND DONOR PROGRAMMES

Many international actors have helped facilitate decentralized recovery planning. For example, IOM

27 For instance, a report commissioned by European Committee of the Regions by Chmiel et al (2025) 'identifies specific programmes and funding opportunities that support Ukrainian (Local and Regional Authorities) LRAs, as well as capacity-building measures and opportunities for forging international partnerships'.

supports communities in creating and executing localized recovery plans. These plans are tailored to the unique needs of each community and are designed to align with national recovery policies to ensure coherence and effectiveness in rebuilding efforts (Jackson & Keudel, 2025). Ukrainian cities and regions have embarked on resilience-building efforts by participating in the 'Making Cities Resilient 2030' (MCR2030) initiative (UNDRR, n.d.). This programme assists local governments in reducing disaster risk and strengthening urban resilience through capacity-building workshops and self-assessment tools. The World Bank has approved USD 2.05 billion in Development Policy Operation funding to support Ukraine's financial and economic stability (Lawder, 2024). Similarly, the EU has pledged up to EURO 35 billion (USD 39 billion) in loans to aid Ukraine's economic recovery and assist in rebuilding its power grid. This commitment is part of a broader USD 50 billion loan package coordinated by the Group of Seven (G7) nations.

Meanwhile, UNDP is working to strengthen Ukraine's institutional capacities by focusing on governance reforms, anti-corruption measures, and improved public service delivery. Together, these international efforts are critical in addressing Ukraine's immediate financial and infrastructural challenges while laying the foundation for long-term recovery and sustainable development (European External Action Service, n.d.).

PUBLIC-PRIVATE PARTNERSHIPS AND INVESTMENT OPPORTUNITIES

Private partners contribute expertise, new technologies, and management efficiency, which enhances the quality of infrastructure and public services. In the context of decentralization, private investment can strengthen the capacity of local governments by expanding financing options, supporting locally tailored infrastructure projects, and reducing reliance on centrally managed service delivery. In Ukraine, private investment is driving the expansion of the renewable energy sector, particularly in solar and wind projects. According to the ex-Secretary of the Energy Community Secretariat, Kopach, Ukraine's post-war reconstruction will rely primarily on private investments. While the government previously used 'green tariffs' to encourage renewable energy development, the current high electricity market prices now allow new investments to proceed without such incentives (Kuzior et al, 2021). Private sector engagement is vital to Ukraine's post-war recovery, particularly in modernizing its

energy system. An example of this was investments in solar energy projects, where private partners bring in expertise, innovation, and efficiency. With current high prices in the electricity market, solar investments are proceeding without the need for previous 'green tariff' incentives. This aligns with Ukraine's *Energy Strategy 2035*, which prioritizes safety, energy efficiency, and competitiveness. The strategy promotes a shift from outdated, centralized energy systems toward a diverse, competitive market that offers equal opportunities for all energy producers, including renewables like solar (Cabinet of Ministers, 2023).

KNOWLEDGE-SHARING PLATFORMS AND NETWORKING OPPORTUNITIES

In addition to formal institutions, digital and informal coordination platforms increasingly shape communication, service access and citizen engagement at local level.

One of the most impactful initiatives is *EdCamp Ukraine*, established in 2014 as part of the global EdCamp movement. This platform focuses on the professional growth of educators through 'unconferences', where participants lead discussions, share innovative teaching methods, and contribute to educational reform.

Another significant initiative is *Impact Force* founded in 2021 by Levchuk and Diakova, which focuses on sustainable rebuilding and social impact in Ukraine. This organization collaborates with UN Women, the World Economic Forum, and other international institutions to launch programmes such as business accelerators, online academies for women entrepreneurs, and mental health initiatives (Impact Force, n.d.).

Telegram communities have become a vital networking and information-sharing tool since 2022. Initially a social media and messaging platform, Telegram has evolved into a critical coordination hub for civilians, military personnel, journalists, and humanitarian organizations. Its real-time information exchange capabilities support functions such as air raid alerts, community-driven evacuations, emergency responses, and grassroots activism. However, concerns have been expressed by some cybersecurity experts regarding the platform's potential implications for Ukrainian society, including issues related to data security and the circulation of Russian propaganda and disinformation content (Zaporozhets and Opirskyi, 2024, p. 80).

Conclusion

Support for Ukraine's decentralization efforts initiated in 2014 was broad-based and intense. It was preceded by preliminary efforts under the Yushenko administration that ultimately were not realized but set the stage for later success.

Ukraine's ongoing decentralization reform has become one of the country's most consequential governance transformations. Since 2022, decentralized governance has been one of the principal institutional foundations of wartime resilience and recovery. Powers and resources transferred to hromadas before 2022 helped position local authorities to respond to crises, provide services, help coordinate humanitarian assistance, and support community-level response actions. The experience of the full-scale invasion suggests that empowered local government can strengthen state effectiveness rather than weaken it. While legislative decentralization is temporarily impeded by martial law, many parties across Ukraine are working to resume reforms as soon as is legally possible.

However, the full-scale invasion put local government reforms under extreme pressure. Stronger central government control under martial law, military administrations replacing some elected local bodies, fiscal reallocations and reduced local budgets, staff shortages due to mobilisation or displacement, suspended elections, and damaged infrastructure and falling tax revenues have stress-tested the capacity of local self-government bodies to function during war. These measures show how decentralization gains can be constrained by prolonged conflict, with implications for the longer-term decentralization agenda as yet unclear. In this regard, the post-war challenge will be to balance national security and effective coordination with meaningful local self-government.

This document has highlighted growing territorial inequalities. Some hromadas have retained capacity and revenues, while others have faced destruction, depopulation or displacement pressures. A uniform national approach is therefore unlikely to succeed. Ukraine will require differentiated responses at the local level, including revised fiscal equalisation, targeted technical assistance, and stronger support for communities hosting internally displaced persons. Without this, decentralization could deepen disparities between communities.

Even as war continues, recovery planning has reinforced the value of broad stakeholder participation, transparency and digital governance. Platforms such as DREAM, Diia and Prozorro show how reconstruction funding can be linked to public accountability and coordination. However, these tools will only be effective

if local authorities have the resources and capacity to use them fully. Promotion, uptake and refinement of support programmes (e.g. from State Regional Development Fund; EU Assist) across hromadas with their spatially differentiated challenges, stands to be monitored in this regard.

A further lesson concerns the role of oblast and intermediate institutions. While reform prioritized empowerment of hromadas, wartime and recovery planning appears to have underscored a continued need for regional bodies able to coordinate infrastructure, support weaker municipalities and manage cross-boundary planning. Clarifying these roles will be important in the next phases of the reform agenda.

Looking ahead, decentralization remains closely linked to Ukraine's state-building as well as long-standing EU integration agenda. That is, it is not only a domestic agenda. If renewed after the war, it may support both reconstruction and alignment with European governance standards – such as in regard to enacting the principle of subsidiarity, elected local authorities, citizen participation, and reducing territorial inequalities among other tenets.

FURTHER RESEARCH NEEDS

Based on the current document, a number of entry points for further research and data generation emerge that are likely to help inform successful decentralization over the longer term.

- **Institutional effects of wartime governance:** Longitudinal evidence on how martial law, military administrations and proposed supervision mechanisms are reshaping the balance of power between central, oblast and hromada levels, including whether temporary wartime centralisation, under martial law in particular, hardens into longer-term recentralisation.
- **Demographic and fiscal viability of territorial communities:** In a context of almost inevitably spatially uneven recovery prospects, fiscal analysis of municipal viability would help decide which hromadas seem likely to remain functional after various permutations of population loss, revenue/tax base decline and war damage, and which may require mergers, equalisation or subvention support from the state budget, or a revised intergovernmental finance model.
- **Local growth scenario modelling:** Having noted that planning is still often based on optimistic local growth assumptions with limited attention to 'smart shrinking' or to uneven regional

development, more granular demographic and territorial data would be helpful, especially on displacement, returns, to build and test alternative local growth scenarios.

- **Local implementation capacity:** The capacity of local self-government bodies to meet expanded planning and service delivery responsibilities in the evolving decentralization context warrants further analysis. Operational research on local implementation capacity would help guide efforts to support local self-government bodies enact decentralization in the medium and long term.

In particular, constraints in terms of financial resources, technical capacity and administrative support available to meet the new requirement for comprehensive territorial community plans bear further investigation.

- **Inclusive recovery governance:** More empirical evidence is needed on inclusion in recovery governance. This should span not only how to involve vulnerable groups including IDPs in local planning, but also - from a decentralization perspective - how donor and national recovery frameworks interface with local priorities.



Heavily destroyed residential building © UN-Habitat Ukraine

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Annex

List of interviewees

No.	Name	Affiliation / Position	Date of interview
1	Hon. Hanna Bondar	Former Director of the Department of Urban Planning and Architecture of the Kyiv City State Administration; Member of Parliament, Verkhovna Rada of Ukraine	02.04.25
2	Hon. Dmytro Gurin	Member of Parliament, Verkhovna Rada of Ukraine	17.03.25
3	Kevin Nelson	Formerly of United States Agency for International Development Building Democratic Governance (USAID-BDG) programme	25.03.25
4	Andrii Ginkul	Local Development and Reforms Center ²⁸	31.03.25
5	Grigory Melnychuk	Formerly of Ministry of Infrastructure of Ukraine	01.05.25
6	Eldar Dyussetaev	Former Deputy Mayor of Karaganda	28.03.25

²⁸ LDRCs are quasi-public regional support institutions established to mediate between national decentralization reforms and local implementation capacity. Institutionally, LDRCs form part of Ukraine's decentralization reform support architecture, acting as regional intermediary bodies that connect central reform agendas with local government implementation. The LDRCs were most prominent from roughly **2016 to 2021** as regional support institutions helping hromadas implement decentralization. They were associated with donor-backed reform infrastructure and the rollout of amalgamation, fiscal reform, and local governance capacity-building. Since 2022, many of these support functions have been absorbed into wider recovery and local governance assistance frameworks.

THEMATIC PAPER

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