

LOCAL STAKEHOLDERS AND UKRAINE'S RESILIENCE: COMMUNITY-LEVEL ENGAGEMENT AND EU FINANCIAL SUPPORT

Summary and Recommendations
of the online round table held on
27 May 2025.

LOCAL STAKEHOLDERS AND UKRAINE'S RESILIENCE: COMMUNITY-LEVEL ENGAGEMENT AND EU FINANCIAL SUPPORT

Summary and Recommendations of the online round table “Local Stakeholders and Ukraine's Resilience: Community-Level Engagement and EU Financial Support” held on 27 May 2025

Since the full-scale invasion, Ukraine has demonstrated outstanding resilience and agility in maintaining its functioning as a state. This was made possible through the cooperation of civil society, citizens, local governments, the private sector, the national government, and the international donor community, alongside the ongoing decentralization reforms that empowered local decision-making and helped address community needs and war-related challenges more effectively.

However, the ongoing war affects decision-making and centralizes power, hindering recovery and EU integration at the local level. The lack of structured cooperation between local and central level limits access to public funding, including EU's Ukraine Facility funds and capacity-building efforts for Ukraine's governance and recovery. Effective investment planning for recovery requires early stakeholder involvement and prioritization for transparency, public service quality, safety, security, accountability, and civic engagement.

Despite the significant destruction of infrastructure, different regions face varying challenges ranging from housing for IDPs to private sector support. Inclusive decision-making is vital to ensure meeting demands and needs of specific regions. **Therefore, the EU and international donors should allow direct access for local actors to their funding and promote inclusive planning and community engagement.** EU support for joint civic and local authorities' projects will improve cooperation between civil society and public authorities, strengthen capacities, and enhance public policies.

The discussion was co-organized by the **Black Sea Trust for Regional Cooperation and the ReThink.CEE program of the German Marshall Fund (GMF)**, the **European Association for Local Democracy (ALDA)**, and the **Kyiv Dialogue/European Exchange**. The event was part of Kyiv Dialogue's advocacy efforts for the upcoming Ukraine Recovery Conference in Rome and explored the current state of local communities in Ukraine and the state of the EU's Ukraine Facility.

1. Continuity of Decentralization Reform and Clear Powers Delineation

During the event, a majority of speakers stressed that the decentralization process should continue and counterbalance the centralizing effects of Martial Law.

Despite the war, local self-governance under government-controlled territories is functioning and communities are capable of implementing necessary projects. Regional authorities should be responsible for determining their own future.

Therefore, it is crucial to ensure the delineation of powers among community and regional-level authorities on the one hand, and civilian and military administrations bodies on the other. **Necessary amendments to the Constitution should be further promoted to bring legislation into compliance with the decentralization reforms** and to ensure the proper management of local affairs. It is essential to establish a supervisory process and grant communities a legal personality to facilitate their collaboration with international donors and partners.

2. Participation and Local Democracy

Despite the importance of participation and local communities' engagement in planning, only a few stakeholders are so far involved in developing the National Recovery Plan. However, Ukrainian communities must be an integral part of the recovery strategies and EU's Ukraine Facility, and they should accordingly have access to its funds. It is necessary to facilitate structured dialogue between national and local public authorities, civil society, private sector, media, and international donors in this process.

Moreover, the recovery will be more transparent, and the use of funds will be more efficient if local authorities **implement the Law on Local Self-Governance adopted in January 2025** and adopt community statutes and other local democracy instruments to ensure transparency and citizens' access to decision-making. According to the [Law on Local Self-Governance](#), local authorities shall publish all draft decisions to allow citizens to control public authorities. Therefore, further development of local democracy is crucial, and it will require the introduction of community statutes and other local democracy instruments such as public hearings, community petitions, e-petitions, e-consultations, council members and mayor reporting etc.

A **meaningful cooperation between local self-government and civil society** would support implementation of local initiatives. Cooperation with local and regional media would support recovery efforts by increasing citizens awareness about local self-governance efforts. Support to reliable media, such as Suspilne, will reduce Russian influence sabotaging governments efforts though Telegram channel and other social media and allow citizens to receive verified information. After USAID stopped its support for media at the local and regional level, it is important to support watchdog media and public broadcasters to avoid control over them by groups of influence.

Finally, international efforts demand **more holistic approaches** and build institutional capacity of local actors by developing control, planning, and reporting capabilities within organizations, enabling them to become self-sufficient and more responsive to their constituents. It also requires strong civic culture and social trust at all levels.

3. Local Stakeholders access to public funds

According to [the German Marshall Fund of the United States survey on the engagement and capabilities of various local stakeholders in Ukraine](#), presented at the Online Round Table on 27 May 2025 and recently published, local stakeholders demonstrate significant capacity in different dimensions as human-resource capacity (74%), followed by organizational capacity (72%) and financial capacity (70%). Local authorities, the central government, the private sector, and international organizations have a strong ability to manage and mobilize funds.

Engaging local actors and communities **early in recovery planning** is crucial for accurate priority-setting. Local governments need to access recovery funds to be able to rebuild their communities. Several **mechanisms are in place** for communities to receive such funding for recovery, but need to be adjusted: The envisaged use of the Public Investment Mechanism (PIM) requires creating favorable investment climate and infrastructure conditions in the communities and strengthening of local stakeholders' capacities. The DREAM platform that has been used by many Ukrainian communities, but still there is demand for improved access to it [through providing technical support, launching programs and training in project development](#). The access to the UAH 1 billion of the State Regional Development Fund for 2025 (to be distributed on the local level) requires more transparency on how funds are distributed. Finally, it is important to ensure the involvement and access of local actors to all three pillars of the EU's Ukraine Facility mechanism. This will require **amendments to the Budget Code and other legislation** to ensure access of public authorities to the Ukraine Facility and Public Investment Mechanism before the Constitutional amendments.

Civil society can be a supporter and improve local self-government institutions through training and development and implementation of joint recovery projects. It will require **additional capacity-building efforts to enhance the capabilities of both public authorities and civil society** to improve the implementation of the recovery process and implementation of the public investment mechanisms.

In addition, the allocation of funds to local communities must be improved and the bureaucracy of international projects should be reduced to ensure better use of funds. There should be flexible conditionalities to allow local communities to use funds for local preference and group of projects. If co-financing is required, the municipality will need respective budgets to co-fund the projects. This is especially important after the fiscal equalization and the Budget Code changes in 2024.

4. Recommendations to different stakeholders

To the Ukrainian government:

- **Ensure the continuity of the Decentralization Reform**, one of the pivotal and effective reforms in Ukraine, which is essential for resilience, EU integration, and delineation of powers between local self-governance and sub-regional levels.

- ▶ **Ensure Transparent Needs-Based Funding** by establishing mechanisms for distributing international financial support transparently and based on municipal needs.
- ▶ **Engage local stakeholders in Recovery Planning:** Cities, municipalities, and their associations must be actively involved in the design and coordination of recovery plans, as well as in the allocation of regional and local funding—particularly from the EU Facility and the EU accession process.
- ▶ **Enhance Municipal Influence on Investment Priorities:** Local governments must be given a meaningful role in shaping investment priorities that impact their communities. Currently, their participation in public investment reform is sporadic and unsustainable.
- ▶ **Strengthening collaboration with different actors.** Ukraine's public authorities should improve cooperation with a broad spectrum of actors – local authorities, CSOs, informal civic initiatives, media, academia, and the private sector to advance strategic reforms at the local level to ensure effective local development and resilience.

To Ukraine's Local Authorities

- ▶ **Build alliances for local development** to improve the effectiveness of reforms' local ownership on community's future towards the central government and international donors. A sense of ownership helps retain human capital, which is essential for sustaining local resilience in the face of ongoing challenges.

To Local Media

- ▶ **Improve citizens' awareness of communities' development efforts,** recovery, and the EU integration process, and contribute to transparency in the recovery process on local level.
- ▶ **Promote cooperation with cross-border and EU media** to ensure the dissemination of high-quality, EU-related information and support public understanding of the enlargement process.

To International Donors and Partners

- ▶ **Align Support with Local Priorities.** Donors should fund community-identified priorities and ensure flexibility in funding to allow civic actors to remain responsive and sustainable.
- ▶ **Foster Multi-Sector Collaboration.** Support should promote partnerships between civic actors and other stakeholders, including public authorities and businesses, at the local level to enhance project effectiveness, leverage private sector resources, and improve service delivery.
- ▶ **Support local independent media** that can contribute to public awareness, acceptance, and transparency in the local recovery process.
- ▶ **Strengthen Civic Coalitions and Networks.** Civic actors should be encouraged to build coalitions with local peers across Ukraine and internationally. These networks enhance

knowledge sharing, bolster organizational capacity, and increase global awareness of Ukraine's local challenges and successes.

- ▶ **Support Public-Private Partnerships.** Donors can facilitate cooperation between local governments and small businesses, thereby enhancing social impact and improving the competitiveness of local enterprises by leveraging the expertise of CSOs.
 - ▶ **Ensure direct access to EU funding for local actors.** The European Commission should enable civil society organizations (CSOs) and local authorities in Ukraine to have direct access to pre-accession and recovery funds. It will involve creating dedicated funding mechanisms and earmarking a specific percentage of these funds for direct allocation to local authorities and CSOs to
 - Enhance the capacity of local governments and CSOs to access and manage EU resources.
 - Accelerate and localize the recovery process by empowering actors closest to community needs.
 - Enhance the efficiency and impact of international assistance by eliminating bureaucratic bottlenecks and promoting more targeted, responsive interventions.
 - Support local democracy development and improving citizens' access to decision-making at the local level.
-

About Kyiv Dialogue

Kyiv Dialogue is an independent civil society platform dedicated to fostering dialogue between Ukraine and Germany. Founded in 2005 as an international conference format addressing social and political issues, it has moved to support civil society initiatives in more than 40 local communities across 15 Ukrainian regions aimed at strengthening local democracy in Ukraine since 2014. Since Russia's full-scale invasion in 2022, the focus has shifted to social resilience, cohesion, security policy, and the reconstruction of Ukrainian communities.

Kyiv Dialogue is a program of the European Exchange gGmbH.






Published by:

European Exchange - Europäischer Austausch gGmbH
Erkelenzdammer 59, 10999 Berlin
Tel.: +49 30 616 71 464-0
info@kyiv-dialogue.org

Represented Through:

Stefanie Schiffer
Thomas Vogel

Follow Kyiv Dialogue

-  @kyjiwer.gespraeche (DE)
-  @kyjiwer.gespraeche (DE)
-  @KyivDialogue (EN)
-  @kyivdialogue.social.bsky (EN)
-  Kyiv Dialogue (EN)