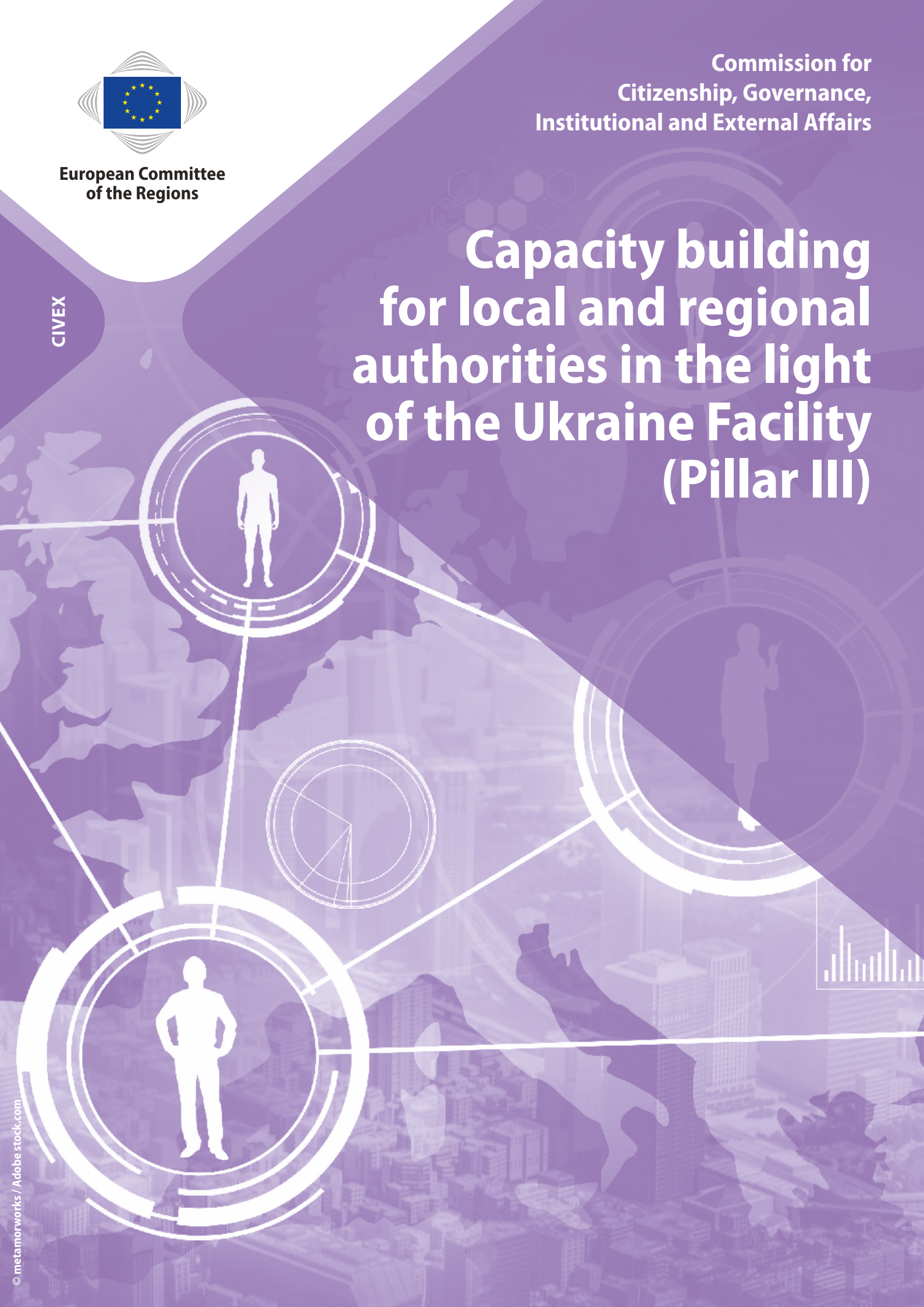
European Committee of the Regions

Commission for Citizenship, Governance, Institutional and External Affairs

CIVEX

Capacity building for local and regional authorities in the light of the Ukraine Facility (Pillar III)



© metamorworks / Adobe stock.com

© European Union, 2025
Partial reproduction is permitted, provided that the source is explicitly mentioned.
More information on the European Union and the Committee of the Regions is available online at http://www.europa.eu and http://www.cor.europa.eu respectively.
Catalogue number: QG-01-25-028-EN-N; ISBN: 978-92-895-3753-7; DOI: 10.2863/7567823

This document has been authored by Oskar Chmiel, Agnieszka Kulesa, Andrzej Robaszewski, Katarzyna Sidło, Agnieszka Maj, Delia Agostinelli with research assistance from Eleonora Vitale and Kacper Banaszewski from the Center for Social and Economic Research.

It does not represent the official views of the European Committee of the Regions.

Contents

ABBREVIATIONS AND ACRONYMS **5**

EXECUTIVE SUMMARY **6**

1. INTRODUCTION **7**

1.1 Methodology and limitations **8**

2. ANALYSIS **10**

2.1 LRAs in Ukraine's system of territorial administration **10**

2.1.1 Overview of Ukraine's system of territorial administration 10

2.1.2 Recent developments in the light of Russia's full-scale invasion and the EU accession negotiations 13

2.2 Capacity building for LRAs in Ukraine **15**

2.2.1 The importance of capacity building for the LRAs 15

2.2.2 Why is capacity building crucial now for LRAs in Ukraine? 15

2.2.3 EU support for capacity building of Ukrainian LRAs in a nutshell 15

2.3 Analysis of the Ukraine Facility, focusing on Pillar III **15**

2.3.1 What is the Ukraine Facility? 15

2.3.2 The importance of LRAs in the Ukraine Facility 19

2.3.3 Oversight by the European Parliament 21

2.3.4 The role of the CoR 22

2.3.5 What has already been achieved? 22

2.4 Dedicated programmes and funding opportunities for local and regional self-governments **24**

2.4.1 A closer look at the U-LEAD with Europe programme 24

2.4.2 The EU4Reconstruction programme 27

2.4.3 Selected EU financial instruments and programmes available to local and regional governments in Ukraine 28

2.4.4 Overview of selected guidelines, handbooks, and other publications for Ukrainian LRAs 31

2.4.5 Direct links, useful websites, and contact details of support services offering further information 35

2.5 Support for international municipal partnerships **38**

2.5.1 Bridges of Trust Initiative 38

2.5.2 The Polish-Ukrainian municipal cooperation 39

2.5.3 Local School Rehabilitation for Resilience 40

2.5.4 Training and Internship Programme Support for Ukrainian municipalities and inter-municipal cooperation (TIPS4UA) 41

3. CONCLUSIONS 43

ANNEX 1: REFERENCE LEAFLET FOR UKRAINIAN LRAS 45

FUNDING OPPORTUNITIES AND CAPACITY BUILDING PROGRAMMES FOR UKRAINIAN LRAS 45

ANNEX 2: REFORMS, INVESTMENTS AND INDICATORS INCLUDED IN THE UKRAINE FACILITY PLAN REGARDING DECENTRALISATION AND REGIONAL POLICY – SELECTED EXCERPTS 53

REFERENCES 63

Abbreviations and Acronyms

AFET – European Parliament's Committee on Foreign Affairs (AFET)
BMZ – German Federal Ministry for Economic Cooperation and Development
BUDG – European Parliament's Committee on Budgets
CEMR – Council of European Municipalities and Regions
CoR – European Committee of the Regions
DFI – Development Finance Institution
DG ENEST – European Commission's Directorate-General for EU Enlargement and Eastern Neighbourhood
DG NEAR – European Commission's Directorate-General for Neighbourhood and Enlargement Negotiations
DREAM – Digital Restoration Ecosystem for Accountable Management
EIB – European Investment Bank
EBRD – European Bank for Reconstruction and Development
EU – European Union
IFI – International Financial Institution
IOM – International Organization for Migration
IMF – International Monetary Fund
IPA – Instrument for Pre-accession Assistance
LRAs – Local and Regional Authorities
LSG – Local Self-Government
MEP – Member of the European Parliament
MSME – Micro, Small, and Medium-Sized Enterprises
NDB – National Development Bank
NDICI – Global Europe – Neighbourhood, Development and International Cooperation instrument – Global Europe
OECD – Organisation for Economic Co-operation and Development
PDBs – Public Development Banks
PIM – Public Investment Management
RDNA4 – Rapid Damage and Needs Assessment
SDGs – Sustainable Development Goals
SIDA – Swedish International Development Cooperation Agency
TAIEX – Technical Assistance and Information Exchange instrument
TIPS4UA – Training and Internship Programme Support for Ukrainian Municipalities
TCF – Technical Cooperation Facility
U-LEAD with Europe – Ukraine – Local Empowerment, Accountability and Development Programme

Executive summary

Both the Russian full-scale invasion and Ukraine's integration into the EU pose significant challenges for Ukrainian Local and Regional Authorities (LRAs). The country's recovery, reconstruction, and modernisation will require their profound and meaningful engagement. These recent developments have put an immense strain on their administrative and financial resources, which were often already severely limited, especially in the case of smaller, peripheral units. Consequently, there is now a mounting need to build their capacity.

Through the Ukraine Facility, the EU aims to provide Ukraine with up to EUR 50 billion in funding during the period of 2024–2027, and the country's LRAs will be able to benefit from it to some degree. More specifically, the Regulation (EU) 2024/792 establishing the Ukraine Facility indicates that Pillar III of this instrument dedicates part of its support to technical assistance and capacity building – including for LRAs.

This study aims to present an analysis of the distribution of funds under the Ukraine Facility, particularly those available for technical support, capacity building, and the reforms needed on Ukraine's path to EU accession. It assesses how the assistance under Pillar III is organised and examines the priority given to empowering LRAs. In addition, it identifies specific programmes and funding opportunities that support Ukrainian LRAs, as well as capacity-building measures and opportunities for forging international partnerships.

A combination of desk research and semi-structured interviews (or emailed questionnaires) was used in this study. The respondents were 14 key stakeholders and experts, including representatives from EU institutions (European Commission, European Parliament), Ukrainian LRAs and think tanks, and a development agency from an EU Member State.

The analysis clarifies that while support under Pillar III of the Ukraine Facility will mean important capacity-building measures and technical assistance for the LRAs, it is unlikely to provide much direct funding to strengthen their capacity. Furthermore, even though the Regulation establishing the Ukraine Facility states that Pillar III will provide support for LRA capacity building, this will take place primarily through such programmes as U-LEAD with Europe and EU4Reconstruction, focusing mainly on supporting *hromadas* (local communities). This means that the capacity-building activities under the Ukraine Facility will concentrate on the administrative units at the basic local level, with possibly less focus on the regional level.

1. Introduction

This report was prepared as part of a project on *Capacity building for local and regional authorities in the light of the Ukraine Facility (Pillar III)* commissioned by the European Committee of the Regions (CoR) under the specific contract No CDR.20730 implementing the multiple framework contract for studies in the field of external relations No CDR/2022/B3/1/1-CIVEX-RELEX.

The main aim of the commissioned study is to analyse the distribution of funds under the Ukraine Facility, in particular those available for technical support, capacity building, and the reforms needed on Ukraine's path to EU accession. In addition, the study assesses how the assistance under Pillar III is organised, examines the priority given to empowering Local and Regional Authorities (LRAs), and identifies specific programmes, technical assistance projects, and funding opportunities that support Ukrainian LRAs, while also exploring capacity-building measures and opportunities for forging international partnerships.

In particular, the study aims to:

- explain the programming process and how the assistance under Pillar III will be organised and implemented;
- provide information for assessing whether the priority of empowering LRAs identified in Regulation (EU) 2024/792 is being taken into due consideration in this context;
- identify any specific programmes supporting the capacities of local self-governments or international partnerships between Ukrainian and EU peers;
- look into and present sectoral technical assistance projects with regional and local dimensions;
- provide guidance to help Ukrainian LRAs identify available funding opportunities;
- explain how the European Parliament will monitor the implementation of the Ukraine Facility;
- draw conclusions regarding the challenges or problems identified in the study;
- analyse measures that could support the capacity building of local and regional authorities to apply the acquis of the EU's cohesion policy;
- look into possibilities for new pilot projects and for using existing training programmes from which Ukrainian LRAs could benefit;
- examine the support for existing international municipal partnerships, or for the development of new ones.

In addition, the study seeks to answer the following research questions:

- How is the Ukraine Facility supporting decentralisation reform and regional development?
- What is the real amount of funds reserved for capacity-building activities under Pillar III?
- How is the assistance organised, programmed, and implemented?
- Given that Ukraine is a candidate country, what parallels can be drawn with the established programming methods under IPA III?
- Which specific programmes support the capacities of local self-governments or international partnerships between Ukrainian and EU peers?
- Are there sectoral technical assistance projects with regional and local dimensions?
- How can LRAs access funding under the Ukraine Facility?
- Is it possible for LRAs to apply for funding directly?
- How will the European Parliament monitor the implementation of the Ukraine Facility?

The following sections address these questions, while the reference leaflet included in Annex 1 serves as a concise, practical and easy-to-use publication dedicated to Ukrainian LRAs. It uses the information included in this study and aims to facilitate LRAs' efforts in navigating the relevant EU programmes, especially in view of capacity-building activities. It also briefly overviews how LRAs can benefit from EU funding.

1.1 Methodology and limitations

The methodology for this study is a combination of desk research and semi-structured interviews (or emailed questionnaires) with 14 key stakeholders and experts, including representatives from EU institutions (European Commission, European Parliament), Ukrainian LRAs and think tanks, and a development agency from an EU Member State. The interviews were conducted anonymously, and no views or statements in this study are attributed to specific individuals or their organisations.

When analysing LRAs, it is important to start by noting how heterogeneous they are. First of all, they operate at various subnational levels (regional, sub-regional, and local communities), and consequently they have different roles and rights, and face distinct challenges. Secondly, there are significant disparities at the same subnational level (for example, between regions) in terms of their capacities and the socio-economic conditions in which they operate (see section 2.1 for more on this topic). Finally, the situation in the regions varies due to their geographical

location, as some of them are more affected by the war and occupation than others. For the sake of clarity, capturing and highlighting these important differences was not always possible, and certain simplifications were necessary.

This report is based on research and data as of April 2025. However, it is important to note that many of the policy processes described here are dynamic and subject to ongoing discussions and negotiations in the EU, as the exact form of certain actions to be implemented under the Ukraine Facility has not yet fully crystallised. In addition, the landscape of support for LRAs in Ukraine is constantly evolving. Major donors are initiating new international assistance programmes, while other support is being reduced. And as has already been mentioned, this study relied heavily on interviews with key stakeholders and experts which were conducted between October 2024 and April 2025. This is because desk research alone was insufficient for accessing the necessary information, as some of the key details concerning the Ukraine Facility are not yet publicly available. Consequently, certain aspects of the presented information may have developed or changed over time, and the report provides only a snapshot of the situation at a particular moment. Readers are thus advised to exercise caution due to the evolving nature of the policy environment.

2. Analysis

2.1 LRAs in Ukraine's system of territorial administration

2.1.1 Overview of Ukraine's system of territorial administration

The main documents determining the system of territorial administration in Ukraine are the Constitution of Ukraine[1] and the Law on Local Self-Government in Ukraine.[2] This system features four levels of governance: national or central, regional, sub-regional (districts) and local units such as communities or municipalities.[3]

Table 1 Administrative units at the subnational level, 2021.

Subnational level	Administrative unit	Number of units
Regional	Oblasts (regions)	24
	Autonomous Republic of Crimea	1
	Cities (Kyiv & Sevastopol)	2
Sub-regional	Raions (districts)	136
Basic (local communities)	Unified territorial communities (hromadas – united villages, settlements, or cities)	1469

Source: Adapted from OECD (2022), *Rebuilding Ukraine by Reinforcing Regional and Municipal Governance, OECD Multi-level Governance Studies*, OECD Publishing, Paris, p. 98, https://doi.org/10.1787/63a6b479-en, and KSE Institute (2024), *Local governments' legal, institutional, and financial landscape in Ukraine*, KSE Institute and Bank Gospodarstwa Krajowego (BGK), Kyiv, pp. 7–8.

At the regional level, in addition to 24 oblasts, there are two cities with special status, Kyiv and Sevastopol, which do not belong to any oblast, as well as a unique territorial unit, the Autonomous Republic of Crimea, which has its own constitution and parliament. However, Crimea has been effectively under Russian control since 2014.

[1] *The Constitution of Ukraine* (1996). Official Website of the Parliament of Ukraine. Retrieved 17 April 2025 from: https://zakon.rada.gov.ua/go/254%D0%BA/96-%D0%B2%D1%80

[2] *On Local Self-Government in Ukraine* (1997). Official Website of the Parliament of Ukraine. Retrieved 17 April 2025 from: https://zakon.rada.gov.ua/go/280/97-%D0%B2%D1%80

[3] *Ukraine Facility (2024).* Ukraine Plan 2024-2027, p. 184. Retrieved 17 April 2025 from: https://www.ukrainefacility.me.gov.ua/wp-content/uploads/2024/03/ukraine-facility-plan.pdf

Figure 1 Administrative map of Ukraine (oblasts).

At each of these subnational levels there are local councils, which are representative (legislative) bodies responsible for political and strategic decision-making on local and budget issues. In turn, executive bodies (executive committees) are only present at the basic level. For oblasts, raions, and cities with special status, the executive powers are exercised by local state administrations. They represent the central government and are subordinate to the Cabinet of Ministers of Ukraine.[4] The state administration implements the decisions of both central government and the regional and district councils.[5]

Each of the subnational levels of Ukraine's system of territorial administration has different functions and responsibilities. In principle, the competencies that are exclusive to the state apply to "legislative regulation, state control, defence, and foreign economic relations", while other powers are shared with or transferred to regional and local levels to varying degrees.[6] They concern such areas as socio-economic development, education, healthcare, management of communal

[4] *Local Government System in Ukraine – All-Ukrainian association of local self-governments «AATC»*. (n.d.). Retrieved 17 April 2025 from: https://www.en.hromady.org/about/lginua/

[5] Romanova, V., Umland, A. (2023). *Domestic and International Dimensions of Ukraine's Decentralization: Kyiv's Local Governance Reform and Post-Soviet Democratization*. Retrieved 17 April 2025 from: https://www.researchgate.net/publication/372589202_Domestic_and_International_Dimensions_of_Ukraine's_Decentralization_Kyiv's_Local_Governance_Reform_and_Post-Soviet_Democratization

[6] KSE Institute (2024). *Local governments' legal, institutional, and financial landscape in Ukraine,* KSE Institute and Bank Gospodarstwa Krajowego (BGK), p. 9. Retrieved 17 April 2025 from: https://kse.ua/KSE_for_BGK_Final_Report_July2024%20-%2020.11.2024.pdf

housing, and construction.[7] Decentralisation reform resulted in the districts' power reduced, since some of their responsibilities were transferred to the basic level of hromadas. More specifically, at the basic level of local communities, the tasks of local government concentrate on providing local public goods, and include such responsibilities as, for example, "maintaining local libraries, childcare centres, schools, health care centres, fire and civil protection departments".[8] Part of this work can be done through the municipal enterprises owned by hromadas and operating in key areas such as central heating, healthcare, water supply, and transportation.[9]

The current form of this system is the result of the decentralisation reform, which took place between 2014 and 2020. The reform aimed to establish the conditions for sustainable development in regions and communities, and to move closer to European standards of local self-government in line with the European Charter of Local Self-Government, which Ukraine ratified in 1997. One of the most important tasks of the decentralisation reform was the amalgamation of communities. This was particularly important for the numerous cities, towns, and villages struggling to carry out their tasks due to the high degree of fragmentation and their limited administrative and financial resources.[10] The reform also brought about major changes in the budget system, with the aim of enhancing the financial independence of local communities.[11] The measures have yielded clear results, as local budgets' own revenues have increased significantly.[12] Nevertheless, most territorial communities still receive basic subsidies from the state budget, and although international donor assistance is permitted under Ukrainian law (except loans or international grants in the case of rural communities), foreign financial support was almost insignificant in the 2020–2023 period.[13]

---

[7] KSE Institute (2024). *Local governments' legal, institutional, and financial landscape in Ukraine,* KSE Institute and Bank Gospodarstwa Krajowego (BGK), p. 9. Retrieved 17 April 2025 from: https://kse.ua/KSE_for_BGK_Final_Report_July2024%20-%2020.11.2024.pdf

[8] CEPR. (2023). *Ukraine's resilience: How an administrative reform boosted social capital and trust in Ukrainian communities*. Retrieved 17 April 2025 from: https://cepr.org/voxeu/columns/ukraines-resilience-how-administrative-reform-boosted-social-capital-and-trust

[9] *Local Government System in Ukraine – All-Ukrainian association of local self-governments «AATC»*. (n.d.). Retrieved 17 April 2025 from: https://www.en.hromady.org/about/lginua/ and KSE Institute (2024), *Local governments' legal, institutional, and financial landscape in Ukraine*, Kyiv, pp. 4–8. Retrieved 17 April 2025 from: https://kse.ua/KSE_for_BGK_Final_Report_July2024%20-%2020.11.2024.pdf

[10] Horbliuk, S., Brovko, O. (2022). *The Territorial and Decentralization Reform in Ukraine (2014–2020)*. Studia Regionalne i Lokalne, 2(88), pp. 16–30. https://doi.org/10.7366/1509499528802

[11] For more, see: KSE Institute (2024)*, Local governments' legal, institutional, and financial landscape in Ukraine,* Kyiv, pp. 8–9. Retrieved 17 April 2025 from: https://kse.ua/KSE_for_BGK_Final_Report_July2024%20-%2020.11.2024.pdf

[12] Horbliuk, S., Brovko, O. (2022). *The Territorial and Decentralization Reform in Ukraine (2014–2020)*. Studia Regionalne i Lokalne, 2(88), 26. https://doi.org/10.7366/1509499528802

[13] CEE Bankwatch Network (2023). *Ukrainian communities at the forefront of reconstruction efforts—Financial sources and their accessibility for municipalities*, pp. 8–9. Retrieved 17 April 2025 from: https://en.ecoaction.org.ua/wp-content/uploads/2023/12/Ukrainian-communities-at-the-forefront11-2023s.pdf

Overall, the decentralisation reform is considered one of the most successful in the country's recent history, and has made an important contribution to Ukraine's wartime resilience. In the context of integration into the EU, further steps are now being taken to strengthen the principles of subsidiarity and decentralisation. Some sections of the Ukraine Plan (see section 2.3.3 and Annex 2 for more details) may serve here as concrete examples of such efforts. However, since Russia's full-scale invasion and the introduction of martial law, there has also been the risk of "re-centralisation", which has been taking place by the military administration assuming certain local powers.[14]

2.1.2 Recent developments in the light of Russia's full-scale invasion and the EU accession negotiations

The updated Rapid Damage and Needs Assessment (RDNA4) – jointly prepared by the Government of Ukraine, the World Bank Group, the European Commission, and the United Nations – stated that the total costs of reconstruction and recovery needs have already reached EUR 506 billion (as of 31 December 2024).[15] According to the Ukrainian Ministry for Communities, Territories and Infrastructure Development of Ukraine (Ministry for Restoration), the number of territories in need of state support has increased during Russia's full-scale invasion due to war-related damage to property and infrastructure, affecting many communities. In addition, communities have seen a decline in economic opportunities and a drop in their own income – for example by 17% in 2022 compared to 2021. The decrease in financial capacity was primarily caused by such factors as the difficult security situation, reduction of state assistance, migration of people and relocation of businesses, and removal of land from economic circulation.[16] Experts also point to the other difficulties that local communities face when engaging in reconstruction and recovery. They include: limited budgets; reliance on international funding; (English) language barriers; lack of sufficient stakeholder involvement; deficiencies in project management skills, knowledge, and expertise; an overwhelming work burden often stemming from the war situation; and complications related to having to operate under

[14] For more, see: Darkovich, A., Savisko, M. (2024). *Trends in the interaction of local self-government and state authorities at the local level in Ukraine — Short version of the report*. Retrieved 17 April 2025 from: https://kse.ua/wp-content/uploads/2024/05/Short-version.-English.KSE_.pdf

[15] *Forth Rapid Damage and Needs Assessment in Ukraine: Total cost of reconstruction and recovery estimated at €506 billion—EU NEIGHBOURS east*. (2025). Retrieved 17 April 2025 from: https://euneighbourseast.eu/news/latest-news/forth-rapid-damage-and-needs-assessment-in-ukraine-total-cost-of-reconstruction-and-recovery-estimated-at-e506-billion/

[16] Ministry of Restoration (n.d.). *Updated State Strategy for Regional Development for 2021-2027: Key aspects – Information booklet*. Retrieved 17 April 2025 from: https://decentralization.ua/uploads/attachment/document/1477/%D0%94%D0%BE%D0%B2%D1%96%D0%B4%D0%BA%D0%B0_%D0%9C%D0%98%D0%A3_%D0%86%D0%9D%D0%A4%D0%9E%D0%A0%D0%9C%D0%90%D0%A6%D0%86%D0%99%D0%9D%D0%90_%D0%91%D0%A0%D0%9E%D0%A8%D0%A3%D0%A0%D0%90_A4_engl.pdf

martial law.[17] As has already been mentioned, there is now the risk of "re-centralisation" occurring due to the military administration assuming certain local powers.[18] On 24 February 2022, the Ukrainian President Volodymyr Zelensky declared martial law, which created military administrations in each region and district, while most of the local military administrations are located in the regions close to the front line. Although this is necessary in wartime, it has also caused some policy issues, especially at the basic local level where local military administrations have been established. For example, there is some ambiguity in the legal guidelines for establishing local military administrations; the imposition of martial law also lowered communication and cooperation between the border and occupied hromadas with the regional and district administrations; and it caused an overlap between the local peacetime and military administrations, which is particularly problematic in the context of intense workload and already overstretched administrative and financial resources.[19]

Ukrainian LRAs have proven extraordinarily resilient during Russia's full-scale invasion. As the Ukraine Plan states, "[t]erritorial communities proved to be the first to respond to the mobilisation of bottom-up support, ensuring the restart of basic social and housing services, food supplies, assistance in organising volunteer territorial defence and hosting large numbers of internally displaced persons".[20] Studies[21] indicate that an important role in this context was played by the decentralisation reform, which enhanced municipalities' ability to provide basic services and improved resource allocation at the local level.

The recovery plans envisage not only the speedy alleviation of war-related damages and the strengthening of economic, social and environmental resilience,

[17] EUI Robert Schuman Centre (6–7 February 2025). *Symposium "Ukraine recovery: Building back better?"—Conference Proceedings*. Retrieved 17 April 2025 from: https://apps.eui.eu/EUI_API/EVENTSV2/Attachments/Index?id=30522
and Energy Efficiency Fund (2024). *Guidebook: Overview of YES programs available to applicants from Ukraine*. Retrieved 17 April 2025 from: https://eef.org.ua/wp-content/uploads/2024/03/Posibnyk-Oglyad-program-YES-dostupnyh-dlya-zayavnykiv-z-Ukrai-ny.pdf

[18] For more, see: Darkovich, A., Savisko, M. (2024). *Trends in the interaction of local self-government and state authorities at the local level in Ukraine—Short version of the report*. Retrieved 17 April 2025 from: https://kse.ua/wp-content/uploads/2024/05/Short-version.-English.KSE_.pdf

[19] Darkovich, A., Savisko, M. (2024). *(De)Centralization? Challenges to Local-Level Governance under Martial Law in Ukraine*. Retrieved 17 April 2025 from: https://bunny-wp-pullzone-a7uhvox9dj.b-cdn.net/wp-content/uploads/2024/04/F_PEPM_Darkovich_Savisko_July2024.pdf

[20] Ukraine Facility (2024). *Ukraine Plan 2024-2027*, p. 184. Retrieved 17 April 2025 from: https://www.ukrainefacility.me.gov.ua/wp-content/uploads/2024/03/ukraine-facility-plan.pdf

[21] For example, see: Rabinovych, M., Brik, T., Darkovich, A., Savisko, M., Hatsko, V., Tytiuk, S. and Piddubnyi, I. (2023). *Explaining Ukraine's resilience to Russia's invasion: The role of local governance*. Retrieved 17 April 2025 from: https://onlinelibrary.wiley.com/doi/full/10.1111/gove.12827 and Romanova, V., Umland, A. (2023). *Domestic and International Dimensions of Ukraine's Decentralization: Kyiv's Local Governance Reform and Post-Soviet Democratization*. Demokratizatsiya: The Journal of Post-Soviet Democratization, 31(3), 363–389. https://muse.jhu.edu/pub/280/article/902801

but also the country's modernisation – in the spirit of "building back better".[22] The territorial communities will play a leading role[23] in these efforts, as they will be at the forefront of project planning, implementation, and contacts with international partners, directly involving the core beneficiaries of reconstruction.[24] Furthermore, their tasks focus not only on alleviating the war situation, but also include efforts related to Ukraine's accession to the EU, as the recovery and reconstruction plans envisage alignment with EU standards, fostering the country's green transition and digital transformation.[25]

Generally speaking, both Russia's full-scale invasion and Ukraine's integration into the EU pose significant challenges to the LRAs. The recovery, reconstruction, and modernisation of the country will require their profound and meaningful engagement. These recent developments have put an immense strain on their administrative and financial resources, which were often already severely limited, especially in the case of smaller, peripheral units. Consequently, there is now a mounting need to build their capacities.

2.2 Capacity building for LRAs in Ukraine

2.3 Analysis of the Ukraine Facility, focusing on Pillar III

2.3.1 What is the Ukraine Facility?

The Ukraine Facility, established by the EU through Regulation (EU) 2024/792, is a dedicated financial mechanism designed to support Ukraine's recovery, reconstruction, and modernisation in response to Russia's full-scale war of aggression.[32] The Facility aims to provide sustainable and predictable financial support to Ukraine, assisting the country in its efforts to rebuild and advance

[22] National Recovery Council (2022). *Ukraine's National Recovery Plan blueprint,* p. 2. Retrieved 17 April 2025 from: https://cdn.prod.website-files.com/621f88db25fbf24758792dd8/62c166751fcf41105380a733_NRC%20Ukraine%27s%20Recovery%20Plan%20blueprint_ENG.pdf

[23] As indicated in the *Ukraine Plan*, p. 185. Retrieved 17 April 2025 from: https://www.ukrainefacility.me.gov.ua/wp-content/uploads/2024/03/ukraine-facility-plan.pdf

[24] For example, see: CEE Bankwatch Network (2023). *Ukrainian communities at the forefront of reconstruction efforts—Financial sources and their accessibility for municipalities*. Retrieved 17 April 2025 from: https://en.ecoaction.org.ua/wp-content/uploads/2023/12/Ukrainian-communities-at-the-forefront11-2023s.pdf

[25] National Recovery Council (2022). *Ukraine's National Recovery Plan blueprint*, p. 2. Retrieved 17 April 2025 from: https://cdn.prod.website-files.com/621f88db25fbf24758792dd8/62c166751fcf41105380a733_NRC%20Ukraine%27s%20Recovery%20Plan%20blueprint_ENG.pdf

[32] Peters, T., Krome, J. (2024). *At a glance. Ukraine Facility: State of play.* European Parliament. Retrieved 17 April 2025 from: https://www.europarl.europa.eu/RegData/etudes/ATAG/2024/762362/EPRS_ATA(2024)762362_EN.pdf

towards EU membership. It consists of **three pillars**, each focused on different aspects of Ukraine's recovery and integration process.[33]

Pillar I provides financial support through grants and loans, contingent on Ukraine's implementation of a recovery and reform plan focused on public administration, governance, and anti-corruption measures. At least 20% of the non-repayable financing support under Pillar I of the Ukraine Facility must be allocated to the recovery, reconstruction and modernisation needs of Ukraine's subnational authorities, in particular local self-government (of which 5% will be allocated in 2024–2025).[34] The EU and Ukraine have signed agreements that detail the management, control, reporting, and auditing of borrowed funds, ensuring thorough information sharing between both parties.[35] The disbursement of quarterly tranches is contingent upon Ukraine fulfilling specific qualitative and quantitative reform steps, with the Commission assessing their progress before proposing a Council implementing decision. The Commission then adopts the financing decision authorising the disbursement of non-repayable support and informs the European Parliament on progress, reforms, and payment scheduling, including through the Ukraine Facility dialogue (Article 37 of Regulation (EU) 2024/792).

Pillar II establishes a Ukraine Investment Framework to attract public and private investments for reconstruction, complementing existing financial instruments. The framework provides guarantees and de-risking mechanisms for sovereign, sub-sovereign, commercial, and non-commercial entities, and ensures that at least 15% of guarantees are allocated to micro, small, and medium-sized enterprises (MSMEs). A Steering Board, including representatives from the Commission and EU Member States, will guide the framework's implementation, while the European Parliament and Ukraine's Verkhovna Rada will have observer status.[36]

---

[33] DG ENEST (n.d.). *Ukraine Facility*. Retrieved 17 April 2025 from: https://enlargement.ec.europa.eu/funding-technical-assistance/ukraine-facility_en; *Regulation (EU) 2024/792 of the European Parliament and of the Council of 29 February 2024 establishing the Ukraine Facility*. Retrieved 17 April 2025 from: https://eur-lex.europa.eu/eli/reg/2024/792/oj/eng

[34] Peters, T., Krome, J. (2024). *At a glance. Ukraine Facility: State of play*. European Parliament. Retrieved 17 April 2025 from: https://www.europarl.europa.eu/RegData/etudes/ATAG/2024/762362/EPRS_ATA(2024)762362_EN.pdf

[35] Ministry of Economy of Ukraine (2024). *Ukraine and the EU signed a framework agreement for financing under the Ukraine facility*. Retrieved 17 April 2025 from: https://me.gov.ua/News/Detail?lang=uk-UA&id=f415a81c-59d1-43dd-ae32-8f9af3c25d3e&title=VerkhovnaRadaRatifikuvalaRamkovuUgoduUkraineFacility; RBC-Ukraine (2024). *Ukraine and EU sign €27 billion loan agreement under Ukraine Facility*. РБК-Украина. Retrieved 17 April 2025 from: https://www.rbc.ua/rus/news/ukrayina-ta-es-pidpisali-kreditnu-ugodu-ukraine-1719255882.html

[36] DG ENEST (n.d.). *Ukraine Facility*. Retrieved 17 April 2025 from: https://enlargement.ec.europa.eu/funding-technical-assistance/ukraine-facility_en ; Peters, T., Krome, J. (2024). *At a glance. Ukraine Facility: State of play*. European Parliament. Retrieved 17 April 2025 from: https://www.europarl.europa.eu/RegData/etudes/ATAG/2024/762362/EPRS_ATA(2024)762362_EN.pdf

Funding under Pillar II will comprise loans and grants provided by international financial institutions and European public development banks (PDBs). Some of the investments will also target municipal infrastructure, and it is possible that they will come together with technical assistance for municipalities to ensure that they can be implemented efficiently.[37] There are indications that thanks to the guarantees envisaged under the Ukraine Facility, some PDBs from EU member states will be able in the near future to provide guarantees to Ukrainian banks for supporting the investments of small and medium local Ukrainian governments.[38] A recent example of a Ukrainian bank acting as a financial intermediary to communities, municipalities, and communal enterprises in Ukraine is the Ukraine District Heating Ukreximbank project. To support the financing of district heating and energy efficiency investments, a contract between the EIB and state-owned Ukreximbank for the project – worth EUR 100 million – was signed on 9 April 2025.[39] However, as Ukrainian municipalities are very diverse – and many are small, have low administrative and financial capacities, lack skilled staff, and may find it difficult to meet donors' demands – finding those with bankable projects may be challenging.[40]

Pillar III supports Ukraine's alignment with EU laws and regulations in preparation for future membership. It provides technical assistance, capacity building for social partners, civil society, and local authorities, and aids Ukraine in implementing reforms for EU accession. Additionally, Pillar III covers interest rate subsidies for loans and supports efforts to address Russian aggression, including the enforcement of international law regarding crimes committed in Ukraine. The pillar aims to strengthen the rule of law, democracy, governance, and public administration, and to enhance cooperation between Ukrainian and EU regions.[41]

As the Ukraine Facility will support Ukraine on its path to EU accession, the Regulation establishing the Ukraine Facility makes it clear that the support provided by this instrument should avoid any potential overlap with the Instrument for Pre-accession Assistance (IPA III). In principle, IPA III and the Ukraine Facility function similarly, since they disburse funding in line with the

[37] Interview 1.
[38] Sobolewski, P. (2025). *BGK stawia na Ukrainę. "Nie możemy tracić czasu, inni już tam są"* Xyz.Pl. https://xyz.pl/bgk-pomoze-polskim-firmom-wejsc-na-ukraine-nie-mozemy-tracic-czasu-inni-juz-tam-sa/
[39] European Investment Bank. (2025). *EIB Group President Calviño and Ukrainian Prime Minister Shmyhal accelerate support to Ukraine with new projects restoring vital services*. https://www.eib.org/en/press/all/2025-180-eib-group-president-calvino-and-ukrainian-prime-minister-shmyhal-accelerate-support-to-ukraine-with-new-projects-restoring-vital-services and European Investment Bank. (2025). *Ukraine District Heating Ukreximbank*. https://www.eib.org/en/projects/pipelines/all/20240760
[40] Insights drawn from Interview 9.
[41] DG ENEST (n.d.). *Ukraine Facility*. Retrieved 17 April 2025 from: https://enlargement.ec.europa.eu/funding-technical-assistance/ukraine-facility_en; Peters, T., Krome, J. (2024). *At a glance. Ukraine Facility: State of play*. *European Parliament*. Retrieved 17 April 2025 from: https://www.europarl.europa.eu/RegData/etudes/ATAG/2024/762362/EPRS_ATA(2024)762362_EN.pdf

progress candidate countries have made in their reforms. Yet, unlike the Ukraine Facility, IPA III targets several countries (Albania, Bosnia and Herzegovina, Kosovo*, Montenegro, North Macedonia, Serbia, and Türkiye), and does not focus only on one. Furthermore, these instruments use different indicators to measure reform progress.[42]

Regulation (EU) 2024/792 states the Facility's general and specific objectives (Art 3). The general objectives include addressing the war's social, economic, and environmental impacts, fostering resilience and cohesion, and supporting Ukraine's progressive integration into the EU. The specific objectives focus on maintaining macro-financial stability, rebuilding infrastructure, addressing social challenges, fostering security, and transitioning to a sustainable economy. They also aim to promote social inclusion, strengthen democratic institutions, combat corruption, and support Ukraine's green and digital transformation.

Table 2 Allocation of Ukraine Facility funds

Pillar I	**Direct support to the state budget** Financial assistance will be provided in the form of concessional loans (EUR 33 billion) and grants (EUR 5.27 billion), disbursed quarterly based on indicators given in the Ukraine Facility Plan. 20% of the grant funding (EUR 1.05 billion) will be allocated for regional needs. Funds may not be used for military expenditures.	EUR 33 billion in loans and EUR 5.27 billion in grants
Pillar II	**Investment Fund** A special investment instrument will stimulate investments in priority sectors, with funding made available through the EBRD, EIB, and other international institutions, for both private and state-owned Ukrainian companies.	EUR 7.8 billion in loan guarantees and EUR 1.5 billion for blended finance grants
Pillar III	**Technical and administrative support** Technical assistance will focus on harmonising legislation with EU standards, implementing structural reforms, and building capacity at national, regional, and local levels. It will also cover interest payments on concessional loans.	EUR 4.76 billion

Source: Plan for implementation Ukraine Facility 2024-2027. https://www.ukrainefacility.me.gov.ua/en/ and Ukraine Facility, https://enlargement.ec.europa.eu/funding-technical-assistance/ukraine-facility_en.

* This designation is without prejudice to positions on status, and is in line with UNSCR 1244/99 and the ICJ Opinion on the Kosovo Declaration of Independence.

[42] Interview 3.

During the period 2024–2027, up to EUR 50 billion from the EU will be allocated to finance the state budget (Pillar I), stimulate investments (Pillar II), and provide technical support for programme implementation (Pillar III). The funding will be disbursed in the form of loans and grants. All funding other than in the form of loans is organised under the Ukraine Reserve and will amount to up to EUR 17 billion for the period 2024 –2027 (maximum EUR 5 billion annually); 26% of the Ukraine Reserve is to be dedicated to Pillar III.[43]

Capacity-building assistance under Pillar III of the Ukraine Facility is provided through the framework of the annual Technical Cooperation Facility for Ukraine (TCF), and is managed by the Delegation of the EU to Ukraine. The TCF for 2024 was adopted in June 2024 and has a total budget of EUR 248 million. It will encompass capacity-building activities across various areas; EUR 40 million of the above amount has been mobilised for activities targeting LRAs under Phase 3 of the U-LEAD with Europe programme.[44]

Finally, the Ukraine Facility may face certain challenges and limitations. For example, at present the Facility's framework is planned to run until 2027, which will probably not be sufficient to ensure a comprehensive reconstruction process – one of the main purposes for which it was designed. Regarding Pillar III, the indicative amounts of funding allocated under this part of the Facility are significantly smaller than those under Pillars I and II, and it is possible that a considerable share of Pillar III funding will be allocated to borrowing-cost subsidies for loans under Pillar I.[45]

2.3.2 The importance of LRAs in the Ukraine Facility

One of the Facility's specific objectives highlights the importance of "supporting political and administrative decentralisation and local development, especially by supporting meaningful consultation and a level playing field for all levels of government when accessing funds via open, fair, neutral and transparent procedures" (Art. 3.2 (k)). This objective aligns with Recital 20 of the Regulation,[46] which further highlights the role of local and regional authorities (LRAs) – such as regions, municipalities, raions, hromadas and their associations

[43] European Commission. (2024). *Statement of estimates of the European Commission for the financial year 2025: Preparation of the 2024 draft budget*. Publications Office. https://doi.org/10.2761/799780
[44] Interview 10 (written exchange).
[45] See: European Court of Auditors. (2023). *Opinion 03/2023 (pursuant to Articles 212 and 322, TFEU) concerning the proposal for a Regulation of the European Parliament and of the Council on establishing the Ukraine Facility [Interinstitutional File 2023/0200(COD) of 20 June 2023]*. Retrieved 17 April 2025 from: https://www.eca.europa.eu/ECAPublications/OP-2023-03/OP-2023-03_EN.pdf; Bergman, J. (2024). *The European Union's new Ukraine Facility: an important though insufficient step?* Retrieved 17 April 2025 from: https://ettg.eu/eu-ukraine-facility-important-yet-insufficient-step/.
[46] *Regulation (EU) 2024/792 of the European Parliament and of the Council of 29 February 2024 establishing the Ukraine Facility*. Retrieved 17 April 2025 from: https://eur-lex.europa.eu/eli/reg/2024/792/oj/eng

– alongside Ukrainian civil society organisations[47] in driving Ukraine's recovery, reconstruction, and modernisation. The EU is committed to promoting their active involvement, recognising LRAs as crucial actors in achieving sustainable development and implementing the Sustainable Development Goals (SDGs) at the local level. The Ukraine Facility aims to empower LRAs through capacity building and meaningful participation, fostering decentralisation and reinforcing an inclusive, territorial approach essential for Ukraine's recovery.

Recital 71 of Regulation (EU) 2024/792 states that "[t]he preparation and implementation by Ukraine of the Ukraine Plan should take particular account of the situation in Ukraine's regions and municipalities, having regard to their specific needs for recovery and reconstruction, reform, modernisation and decentralisation, and should be done in meaningful consultation with regional, local, urban and other public authorities as well as civil society organisations in accordance with the multi-level governance principle and taking into account a bottom-up approach". However, some of our interviewees pointed out that Ukrainian LRAs are often unaware of the Ukraine Facility, and it remains unclear to them how they will be able to benefit from it.[48] There is a need to clarify for Ukraine's LRAs the role of regions, districts and hromadas in participating in the Facility, particularly due to the lack of specific information about Pillar III.[49] This lack of awareness raises concerns about the extent to which the bottom-up approach has been applied.

Reform activities mentioned in the Ukraine Facility Plan in the context of strengthening the capacities of LRAs will focus on enhancing the project management skills, investing in staff competencies, as well as improving institutional frameworks for effective identification, implementation, monitoring and evaluation of recovery and reconstruction projects. Furthermore, they will concern advancements in the areas of digitalization, anti-corruption and strategic planning. Ukraine will also strengthen inter-regional cooperation, particularly with EU counterparts, through peer-to-peer recovery initiatives aimed at integrating Ukrainian subnational authorities into EU networks. Key areas of

[47] In this regard, two non-governmental organisations – The Center for Human Capital (Ukraine, Kyiv) and the Institute for Global Transformation (EU, Brussels) – established the Ukraine Facility Platform, an international business and civil society platform that is focused on establishing and supporting an ecosystem uniting key stakeholders (including industries, civil society groups, experts and state officials). For more information, see: *Ukraine Facility Platform*. (n.d.). Retrieved 17 April 2025 from: https://uafp.eu/

[48] Insights drawn from Interview 4, conducted with a representative of a district in Ukraine, and Interview 9, conducted with a representative of a Ukrainian think tank.

[49] Insights drawn from Interview 4, conducted with a representative of a district in Ukraine.

cooperation include local economic development, trade, environmental protection, and climate action.[50]

Annex 2 illustrates the reforms, investments, and reform indicators related to Decentralisation and Regional Policy included in the Ukraine Facility Plan. These efforts are mostly covered under Pillar I. In turn, to understand the programming of the Ukraine Facility, it is useful to review the projects overseen by the Delegation of the EU to Ukraine, which reports to the European Commission on their progress.[51]

2.3.3 Oversight by the European Parliament

On 13 August 2024, the EU disbursed the first regular payment of EUR 4.2 billion to Ukraine under Pillar I of the Ukraine Facility. After the disbursement of quarterly tranches (every four months), the European Commission is required to inform the EP on progress, reforms, and payment scheduling through the Ukraine Facility Dialogue (Article 37 of Regulation (EU) 2024/792).[52] This Dialogue ensures the European Parliament's active oversight by facilitating regular discussions with the Commission on the progress and implementation of the Facility. The first meeting in this format took place on 3 December 2024. It was organised jointly by the BUDG and AFET parliamentary committees, and was live-streamed.[53] Only MEPs and Commission officials (including Gert Jan Koopman, Director General of DG NEAR) took part in the meeting, since the regulation does not envisage the need for inviting other stakeholders.[54] The European Parliament also holds observer status on the Steering Board of the Ukraine Investment Framework, alongside the Government of Ukraine and the Verkhovna Rada.[55]

[50] Ukraine Facility (2024). *Ukraine Plan 2024-2027*, pp. 186-190. Retrieved 17 April 2025 from: https://www.ukrainefacility.me.gov.ua/wp-content/uploads/2024/03/ukraine-facility-plan.pdf; Ukraine Facility (2024). *Presentation: Ukraine Plan—Objectives and Content*. Retrieved 17 April 2025 from: https://www.ukrainefacility.me.gov.ua/wp-content/uploads/2024/04/ukraine-plan_presentation-.pdf

[51] Interviews 1 and 3.

[52] European Parliament (2024). *Parliament and Council agree on long-term solution for Ukraine's funding needs*. Retrieved 17 April 2025 from: https://www.europarl.europa.eu/news/en/press-room/20240205IPR17405/parliament-and-council-agree-on-long-term-solution-for-ukraine-s-funding-needs; DG ENEST (n.d.). *Ukraine Facility*. Retrieved 17 April 2025 from: https://enlargement.ec.europa.eu/funding-technical-assistance/ukraine-facility_en

[53] See: European Parliament - Multimedia Centre. *Joint committee on Foreign Affairs and committee on Budgets*. (2024). Retrieved 18 April 2025 from: https://multimedia.europarl.europa.eu/webstreaming/joint-committee-on-foreign-affairs-and-committee-on-budgets_20241203-1630-COMMITTEE-AFET-BUDG

[54] Interview 5.

[55] See European Commission. (n.d). *Ukraine Investment Framework*. https://enlargement.ec.europa.eu/european-neighbourhood-policy/countries-region/ukraine/ukraine-investment-framework_en

2.3.4 The role of the CoR

The European Committee of the Regions (CoR) plays a significant role in shaping the Ukraine Facility by advocating for the stronger involvement of regional and local authorities in Ukraine's recovery. In its opinion, adopted on 11 October 2023 and prepared by Dario Nardella, the mayor of Florence, the CoR welcomed the Facility as essential for providing predictable financing for Ukraine through 2027. It recommended increasing the Facility's overall budget from EUR 50 billion to EUR 60 billion, and emphasised the need for greater support under Pillar III for capacity-building efforts, particularly in helping Ukraine implement reforms related to EU accession.[56]

In June 2022, the CoR and partner associations launched the European Alliance of Cities and Regions for the Reconstruction of Ukraine, with the aim of coordinating efforts between EU and Ukrainian LRAs to support Ukraine's recovery and reconstruction.[57] This Alliance focuses on capacity building, good governance, and promoting local democracy, and it brings together cities, regions, and associations of LRAs, both from Ukraine and EU countries, to offer resources, expertise, and technical assistance. Its key principles include supporting Ukraine's territorial integrity, empowering local self-government, fostering European integration, and building sustainable, green, and inclusive territories.

2.3.5 What has already been achieved?

As of April 2025, 52 out of 151 steps outlined in the Ukraine Facility Plan have been implemented, giving a 34% completion rate; a further 37% of activities are currently in progress. Overall implementation is showing progress, with 14 steps completed ahead of schedule, 32 completed on time, and only 5 activities delayed.[58]

Focusing on reforms related to decentralisation and regional policy, three out of eight activities have been successfully implemented:

- the entry into force of the resolution to amend the State Strategy for Regional Development for 2021–2027;

---

[56] Peters, T. (2024). *Establishing the Ukraine Facility – Financing Ukraine's recovery and its path to EU accession* Retrieved 17 April 2025 from: https://www.europarl.europa.eu/RegData/etudes/BRIE/2023/753954/EPRS_BRI(2023)753954_EN.pdf and European Committee of the Regions. (2023). *EU's Ukraine Facility should provide stronger support for local and regional reforms*. https://cor.europa.eu/en/news/eus-ukraine-facility-should-provide-stronger-support-local-and-regional-reforms

[57] European Committee of the Regions (2025). *European Alliance of Cities and Regions for the Reconstruction of Ukraine*. Retrieved from https://cor.europa.eu/en/our-work/cooperations-and-networks/european-alliance-cities-and-regions-reconstruction-ukraine

[58] Recovery Vision of Ukraine. *Plan for implementation Ukraine Facility 2024-2027*. http://www.ukrainefacility.me.gov.ua/

- the entry into force of the legislation for development of urban planning at the local level 3; and
- the entry into force of the legislation for public consultations on public policy.[59]

In addition, three activities are currently underway: the entry into force of legislation on reforming the territorial organisation of the executive authorities in Ukraine, the provision of non-repayable financial support under Pillar I of the Ukraine Facility to cover the needs for the restoration, reconstruction, and modernisation of the country's subnational authorities, including local self-government, and the endorsement and publication on the ministry's website of a study on the necessary measures to grant legal personality to territorial communities.[60]

On 13 August 2024, the EU disbursed the first regular payment of EUR 4.2 billion to Ukraine under Pillar I of the Ukraine Facility. This followed earlier payments of EUR 6 billion in bridge financing (disbursed in March and April 2024) and EUR 1.9 billion in pre-financing (disbursed in June 2024), bringing the total funding so far to EUR 12 billion. The payment was made after the Council endorsed the Commission's assessment that Ukraine had satisfactorily met nine reform indicators tied to the first regular quarterly payment. These reforms focus on areas such as public financial management, governance of state-owned enterprises, the business environment, energy, and demining – as outlined in the Ukraine Plan.[61]

Regarding Pillar II, the first round of guarantee and grant agreements was signed during the Ukraine Recovery Conference in Berlin in June 2024, comprising EUR 1.4 billion in blended finance grants and loan guarantees aimed at unlocking EUR 6 billion in investments. The agreements include EUR 1 billion in loan guarantees and EUR 400 million in grants, benefiting private companies, municipalities, and state-owned enterprises, with a particular focus on the repair and development of energy infrastructure targeted by Russia. Various programmes target the private sector, renewable energy, financial inclusion, municipal resilience, and more, providing substantial financial support through institutions such as the European

[59] Recovery Vision of Ukraine. *Plan for implementation Ukraine Facility 2024-2027*. http://www.ukrainefacility.me.gov.ua/
[60] Recovery Vision of Ukraine. *Plan for implementation Ukraine Facility 2024-2027*. http://www.ukrainefacility.me.gov.ua/
[61] DG NEAR. (2024). *Commission disburses first regular payment under the Ukraine Facility*. https://enlargement.ec.europa.eu/news/commission-disburses-first-regular-payment-under-ukraine-facility-2024-08-13_en; DG ENEST (n.d.). *Ukraine Facility*. Retrieved 17 April 2025 from: https://enlargement.ec.europa.eu/funding-technical-assistance/ukraine-facility_en; Ministry of Economy of Ukraine. (2024). *Yuliia Svyrydenko: Ukraine has already received EUR 6 billion under the Ukraine Facility programme in March and April this year*. Retrieved from: https://www.kmu.gov.ua/en/news/yuliia-svyrydenko-v-ramkakh-prohramy-ukraine-facility-ukraina-otrymala-vzhe-6-mlrd-ievro-u-berezni-ta-kvitni-tsoho-roku

Investment Bank (EIB) and the European Bank for Reconstruction and Development (EBRD).[62]

Most recently, on 26 March 2025, the European Commission adopted a financing decision setting out the 2025 annual work programme for implementing Pillar III of the Ukraine Facility (part 2). The decision aims to "allow the Union to bear the borrowing costs subsidy due by Ukraine in 2025 in relation to the loans disbursed in 2024 under Pillar I of the Ukraine Facility, including exceptional bridge financing".[63]

As of 2 April 2025, the Council has authorised three disbursements of grants and loans under the Ukraine Facility, totalling EUR 25.4 billion.[64]

2.4 Dedicated programmes and funding opportunities for local and regional self-governments

2.4.1 A closer look at the U-LEAD with Europe programme

The overall objective of the Ukraine – Local Empowerment, Accountability and Development Programme (U-LEAD with Europe) is to "contribute to the further advancement of multilevel governance in Ukraine, which is transparent, accountable, and responsive to the needs of the population",[65] specifically focusing on enhancing "the capacities of key actors at national, regional and local levels to further implement Ukraine's decentralisation and related regional policy, and to contribute to defining the functions of each level of government within specific policy areas".[66] The programme places special emphasis on smaller municipalities (hromadas) with populations under 50,000, and does not extend support to regional authorities.[67] Since its launch in 2016, the programme has been funded jointly by the EU and some of its Member States (currently Germany, Poland, Denmark and Slovenia). In January 2025, it began receiving funding from

[62] DG NEAR. (2024). *The EU signs €1.4 billion of new guarantee and grant agreements to support Ukraine's recovery and attract private sector investments*. Retrieved from: https://enlargement.ec.europa.eu/news/eu-signs-eu14-billion-new-guarantee-and-grant-agreements-support-ukraines-recovery-and-attract-2024-06-11_en

[63] European Commission. (2025). *Commission Implementing Decision on the Financing of the annual work programme of Pillar III under the Ukraine Facility for 2025 – Part 2*. https://enlargement.ec.europa.eu/commission-implementing-decision-financing-annual-work-programme-pillar-iii-under-ukraine-facility_en

[64] European Council. (n.d.). *The Ukraine Facility*, retrieved from https://www.consilium.europa.eu/en/policies/ukraine-facility/

[65] Smętkowski, M., Kniazevych, A., Olechnicka, A., Orchowska, J., & Przekop-Wiszniewska, E. (2023). *Cooperation between EU cities and regions with their Ukrainian partners*. 46. Retrieved 18 April 2025 from: https://www.europarl.europa.eu/RegData/etudes/STUD/2023/733117/IPOL_STU(2023)733117_EN.pdf, p. 46.

[66] EU project page. (2025). *EU NEIGHBOURS East.* https://euneighbourseast.eu/projects/eu-project-page/?id=1235.

[67] Interview 2.

the Ukraine Facility. This support complements existing contributions from the German Development Ministry (BMZ) and Denmark.

U-LEAD operates through a network of 24 regional offices. These offices are strategically placed across all Ukrainian regions (oblasts) and serve as the main conduits for communication and support to local municipalities. The regional offices' primary role includes maintaining regular contact with municipalities, disseminating information about capacity-building measures, and organising consultations. They act as the first point of contact for local governments seeking advice or training, either resolving queries independently or coordinating with other offices and working in groups to provide solutions. Notably, even in areas under full or partial occupation (for example the Luhansk and Donetsk oblasts), U-LEAD has maintained its operational integrity by relocating offices to safer regions. For instance, the Donetsk office now operates from Dnipro, while the Luhansk office is based in Khmelnytskyi.

The U-LEAD programme supports capacity building and provides technical assistance; in general, it does not provide direct funding to local self-governments.[68] The capacity-development measures provided under this programme are categorised into three key formats: informative sessions; comprehensive training programmes; and tailored consultations.

Box 1. Capacity-development measures provided under the U-LEAD with Europe programme

1) Informative Sessions:
- Delivered weekly through a branded initiative called "U-Wednesday."
- These short events, lasting 2–4 hours, provide updates on legislative changes, good practices, and other critical topics relevant to local government operations.
- Sessions are held nationwide and often feature multiple parallel events (up to 12 on certain Wednesdays) covering diverse topics.
- Local officials know to reserve Wednesday mornings for these events, ensuring consistent participation and access to knowledge.
- Infosession catalogues are sent out on a weekly basis (on Monday).

2) Comprehensive Training Programmes:
- These programmes run between 4–8 weeks and delve deeply into specialised topics such as project cycle management, mid-term budget planning, and social service delivery.
- Training sessions are primarily conducted online but often include hybrid components, such as offline visits or collaborative workshops.
- Programmes cater to both large groups (up to 100 participants) and smaller clusters (8–10 municipalities), depending on the format and goals.

[68] Interview 11 – written exchange.

• Smaller groups work collaboratively to produce tangible outputs, such as updated municipal strategies, recovery plans, or statutes. These groups benefit from mentorship and peer-learning opportunities, fostering an exchange of experiences and best practices. 3) Tailored Consultations: • Municipalities can request highly specific advice on issues such as land management or spatial planning. • These consultations are coordinated through regional offices, which may engage thematic working groups or external experts to address the queries.

Source: Interview 2.

The programme underwent significant transformation during the COVID-19 pandemic. Initially, each regional office organised capacity-building activities independently for its respective oblast. However, the shift to online operations enabled the thematic consolidation of expertise. Thirteen thematic working groups were formed, each focusing on critical areas such as municipal finance, education, and HR management. These groups not only develop training materials, but also organise nationwide sessions, leveraging a pooled knowledge base to deliver higher-quality support.[69] After Russia launched its full-scale invasion, the programme's operational set-up was adjusted, and activities shifted entirely to supporting municipalities. In this context, and thanks to additional EU funding, the new Action "U-LEAD with Europe Phase II: Reform and Reconstruction" (NDICI-GEO-NEAR/2022/438-430) began in September 2022.

U-LEAD strives to ensure that opportunities are distributed fairly across municipalities. Open calls for participation in training programmes allow all eligible municipalities to apply. Information about the training available is communicated to municipalities by the Regional Offices. Selection processes are overseen by the Regional Offices and thematic working groups, and they prioritise regional representation and inclusivity. U-LEAD's activities are generally open to local self-government officials who:

a) represent municipalities with a population of fewer than 50,000;
b) have demonstrated their motivation;
c) have received approval from their supervisor;
d) have the necessary IT equipment (PC with camera and internet connection).

Additional and more specific eligibility criteria apply to some kinds of training – for example, prior experience in a particular area of work (or lack thereof).[70]

In cases where applications are submitted by municipalities from underrepresented regions, such as Donetsk oblast, additional considerations are

[69] Interview 2.
[70] Interview 11 – written exchange.

given to encourage their participation. For example, Regional Offices may provide supplemental scores to highlight a municipality's motivation, even if their application is not the strongest.[71]

U-LEAD is a programme that is already well known among Ukrainian municipalities – to date, over 1,439 of them have engaged in more than 30,000 capacity-building events.[72] On 18 March 2025, the programme entered its third phase of implementation, which will run until the end of 2027. This phase focuses on strengthening municipalities through specific capacity-development measures. It prioritises further progress in decentralisation reform, helping municipalities improve the provision of local services and increase their resilience of their administrations, while also supporting recovery and facilitating EU investment. The total budget for Phase III is EUR 62 million, funded by the EU and several of its Member States. For the EU's share of the total Phase III budget, TCF2024 has mobilised EUR 40 million.[73] During this phase, U-LEAD will also focus more on international partnerships – for example, through the "Bridges of Trust" initiative (see section 2.5.1 for more details).[74]

2.4.2 The EU4Reconstruction programme

EU4Reconstruction is a capacity-building programme currently under development. It is a Team Europe Initiative[75] involving Denmark, France, Germany, and Lithuania, with the possibility of other EU Member States joining. The programme will be implemented through two separate streams: one led by Denmark and Lithuania, and the other by Germany and France.

With its focus on the construction sector, the programme will include five components:

1) supporting the Ukrainian government (in particular, the Ministry for Communities and Territories Development) in designing and implementing Public Investment Management (PIM) architecture at both central and local levels;
2) supporting local recovery, especially in hromadas, in the design and implementation of their investment management plans;

[71] Interview 2.
[72] European External Action Service. (2025). *EU, Member States, and Partners unveil Phase III of U-LEAD with Europe to enhance local governance and development with €62 million support | EEAS*. https://www.eeas.europa.eu/delegations/ukraine/eu-member-states-and-partners-unveil-phase-iii-u-lead-europe-enhance-local-governance-and_en?s=232.
[73] Interview 10 (written exchange).
[74] Interview 1.
[75] Team Europe Initiatives (TEIs) are projects in which the EU, EU Member States, their development agencies and financial institutions, as well as the EIB and the EBRD join forces to address a development issue in partner countries. There are 169 TEIs in total. See: https://international-partnerships.ec.europa.eu/policies/team-europe-initiatives_en

3) supporting the State Agency for Restoration and Infrastructure Development in terms of strengthening its capacities;
4) supporting the reform of the construction sector in various ways, for example, in mainstreaming the green transition;
5) supporting CSOs and media outlets in building their capacities, to monitor developments in the construction sector.

The programme will thereby reach a diverse range of beneficiaries, such as central government, local self-governments, universities, and CSOs. Although regional administrations (oblasts) will also be eligible to participate, the emphasis will be on supporting municipalities (hromadas). It is worth noting that, under this scheme, LRAs are unlikely to receive direct grant funding.

The programme is expected to total between EUR 35 and 40 million, and will be funded in part by EU Member States and through the Ukraine Facility's Pillar III (approximately EUR 10 million). However, since the decision on TCF2025 is expected in the first part of the year, the contribution share to this programme has not yet been announced.

No official information is available yet regarding the scope of the programme, as it is still in the making. Joint scoping missions are planned for May to assess capacity needs. The programme is scheduled to launch in July 2025, with a signing ceremony at the Ukraine Recovery Conference.[76]

2.4.3 Selected EU financial instruments and programmes available to local and regional governments in Ukraine

In addition to the U-LEAD and EU4Reconstruction programmes which focus on capacity building, several EU initiatives are available to support Ukrainian local and regional governments at regional, bilateral, and sectoral levels. Among these initiatives are such programmes as Horizon Europe (for example, environmental projects on climate adaptation in cities), Erasmus+ (for school exchanges and partnerships between municipalities focused on education), and Interreg and Interreg NEXT.[77] This study therefore includes an indicative overview of selected EU programmes and projects available to local and regional authorities in Ukraine (see below). Please note that most of these initiatives are not funded under the Ukraine Facility.

[76] Insights in this section were drawn from Interviews 1, 3, 6, 8, and 10 (written exchange).
[77] Interview 1.

Table 3 Selected EU programmes and projects available to local and regional governments in Ukraine

Category	Programme / Instrument
REGIONAL (Eastern Partnership countries)	Mayors for Economic Growth (M4EG) Facility: Home – M4EG – The Mayors for Economic Growth EU4Energy Programme: EU4Energy – Programmes - IEA EU4Youth: EU4Youth Archives – EU NEIGHBOURS east
BILATERAL	• U-LEAD with Europe: U-LEAD with Europe – U-LEAD with Europe ○ Bridges of Trust project: Bridges of Trust – CEMR CCRE Also worth noting: • EU4Recovery – Empowering Communities in Ukraine programme, implemented by UNDP, with financial support from the EU: EU4Recovery – Empowering Communities in Ukraine (EU4Recovery) | United Nations Development Programme • the Council of European Municipalities and Regions (CEMR) Matchmaking platform (Ukraine focus): Homepage – CCRE CEMR Partnership
SECTORAL	Creative Europe: Home - Culture and Creativity Erasmus+: Erasmus+ Horizon Europe: Horizon Europe | European Commission URBACT: URBACT welcomes cities from Ukraine and Moldova | urbact.eu Connecting Europe Facility: Connecting Europe Facility – European Commission LIFE programme: LIFE – European Commission Digital Europe Programme: The Digital Europe Programme | Shaping Europe's digital future EU4Health: EU4Health programme 2021-2027 – a vision for a healthier European Union – European Commission EU Civil Protection Mechanism : EU Civil Protection Mechanism – European Commission Interreg Europe programme: Ukraine | Interreg Europe Interreg NEXT programmes 2021–2027 (Poland-Ukraine Programme, Hungary-Slovakia-Romania-Ukraine Programme, Romania-Ukraine Programme, and Black Sea Programme); see more at Inforegio – Interreg NEXT programmes

	Danube Region Programme: Interreg Danube Region | Who we are

Source: this is an updated and adjusted version of the table derived from: S. Bieliei, K. Sidło, K. Zubel, *EU financial assistance available to local and regional authorities in Eastern Partnership countries*, the Committee of the Regions, 2021, pp. 4-5. It also drew on the insights from the publication "Огляд програм Європейського Союзу, доступних для заявників з України", 2024, available at: https://eef.org.ua/wp-content/uploads/2024/03/Posibnyk-Oglyad-program-YES-dostupnyh-dlya-zayavnykiv-z-Ukrai-ny.pdf.

In addition to EU-funded programmes, other international donors are supporting decentralisation and local governance in Ukraine through targeted projects and initiatives, including:

- Sweden's Polaris Programme "Supporting Multilevel Governance in Ukraine" (2024–2028).[78] This programme is funded by the Government of Sweden through the Swedish International Development Cooperation Agency (Sida) and implemented by SALAR International. A key component is the Cities4Cities | United4Ukraine initiative,[79] which facilitates peer-to-peer cooperation between Ukrainian and European municipalities. As part of this initiative, the "Municipal Partnerships" project plays a central role in fostering long-term collaboration and capacity building at the local level.
- Canada's "Reconstruction and localization efforts in hromadas" programme, implemented together with the International Organization for Migration (IOM).[80]

An up-to-date overview of international projects and programmes supporting decentralisation in Ukraine, including those aimed at strengthening the capacities of local self-governments, is available at: https://decentralization.ua/en/donors. This platform serves as a valuable resource for identifying ongoing donor-supported initiatives that contribute to institutional development and governance reform at the subnational level.

[78] See: https://polaris.org.ua/en/.
[79] See: About us - Cities 4 Cities | United 4 Ukraine.
[80] See: https://w05.international.gc.ca/projectbrowser-banqueprojets/project-projet/details/p013360001.

2.4.4 Overview of selected guidelines, handbooks, and other publications for Ukrainian LRAs

Various guidelines, handbooks, and other relevant publications are available to help Ukrainian LRAs apply for EU funding. The table below presents a selection:

Table 4 Selected guidelines, handbooks, and other publications for LRAs in Ukraine

Author(s)	Title	Short description	Date of publication	Language of publication	Available at
L. Trofin, M. Kosheliuk	Overview of EU Programs Available to Applicants from Ukraine	This guide primarily targets project managers working with local and regional authorities. It presents EU programmes available to applicants from Ukraine, outlines the process of preparing project applications, and provides guidance on where to find the latest calls for proposals.	January 2024	Ukrainian	The website of East Europe Foundation: https://eef.org.ua/en/report/posibnyk-iz-oglyadom-program-yes-dlya-ukrayiny/
L. Ogryzko, V. Nabok, O. Andrieieva, V. Kyrulo	Donors Guide Book (1st review)	While this guidebook is primarily meant for international donors seeking to engage in Ukraine, and aims to facilitate their collaboration with local NGOs, it provides a wealth of useful information that could also be relevant to Ukrainian LRAs. For example, it contains insights on eight selected thematic areas, important for Ukraine's recovery and reconstruction, and in each of these sections provides an analysis of the situation, as well as best practices and recommendations for improvements.	28.05.2024	English	The website of the Institute of Analytics and Advocacy: https://iaa.org.ua/en/portfolio/donors-guidebook-1st-review/.
N. Vinnychuk	Step-by-step guide: How to write a grant application for an energy project?	Although this publication focuses on the energy sector, it also offers some more universal recommendations on how to write a grant application.	17.11.2023	English and Ukrainian	The website of U-LEAD with Europe programme: https://www.u-lead.org.ua/en/news/325.

N. Vinnychuk	Erasmus+ for Ukraine-2025: step-by-step beginner's guide	This guide serves as an introduction to the Erasmus+ programme for Ukrainian municipal officials. It covers the programme's priorities and features, and offers practical instructions for applicants.	07.01.2025	English and Ukrainian	The website of U-LEAD with Europe programme: https://u-lead.org.ua/en/news/628.
V. Nabok	EU funds: Opportunities for Ukraine	This publication is not a guidebook and does not focus on LRAs, but it can serve as a useful overview of EU programmes available to Ukrainian entities.	06.06.2023	Ukrainian	The website of the Institute of Analytics and Advocacy: https://iaa.org.ua/en/portfolio/founds-of-eu/.
Institute for Economic Research and Policy Consulting, Center for Economic Strategy, DiXi Group, Institute of Analytics and Advocacy	Ukraine Recovery Cookbook	Aimed at both donors and Ukrainian project implementers on the ground, this book offers a broad overview of collaboration between funding donors and Ukrainian implementing entities, and provides general advice.	11.05.2023	English	The website of the Institute of Analytics and Advocacy: https://iaa.org.ua/en/portfolio/cookbook/ .
U-LEAD with Europe	Training and Internship Programme Support for Ukrainian Municipalities (TIPS4UA) Implementation Guidelines	These guidelines cover implementation of the TIPS4UA programme. Several of its sections (e.g. "Sending municipality") may be of interest to Ukraine's local government officials at both municipal and regional levels who would like a better understanding of this initiative.	n.d.	English	The website of ICLEI – Local Governments for Sustainability: https://iclei-europe.org/fileadmin/user_upload/Our_Work/Advocacy/Ukraine_Recovery_Roadmap/TIPS4UA_Implementation_GUIDE.pdf.

V. Kozina, M. Koshelyuk et al.	Methodical recommendations for international municipal partnership guide (Council of Europe)	This guide aims to provide information useful for expanding cooperation between Ukrainian and foreign municipalities. For example, it contains an overview of the main EU programmes open to applicants from Ukraine, as well as key EU institutions and partner organisations that can support international partnerships.	2022	Ukrainian	The website of the Council of Europe: https://rm.coe.int/metodychni-rekomendatsii-partnerstvo-2022-2-/1680aedfd8
M. Lukyanova, V. Martsynkevych	Ukrainian communities at the forefront of reconstruction efforts. Financial sources and their accessibility for municipalities	The issue of access to finance for Ukraine's reconstruction at three levels – community, national, and international – is analysed in this publication. Annex 4 (pp. 28–29) includes "Advice to Communities on Writing Grant Proposals".	November 2023	English	The website of Center for Environmental Initiatives Ecoaction: https://en.ecoaction.org.ua/wp-content/uploads/2023/12/Ukrainian-communities-at-the-forefront11-2023s.pdf
M. Lukyanova	Ukraine's recovery on the ground: mapping financial resources and solutions for municipalities	This publication examines sources of funding for municipal reconstruction. Particularly noteworthy sections include: "How can municipalities attract more funding for reconstruction?"; "10 ways Ukrainian municipalities can attract additional funding"; and "From rat race to fast track: Ukrainian municipalities and the game of Cashflow?".	2023	English	The website of CEE Bankwatch Network: https://bankwatch.org/story/rebuilding-ukraine-funding-challenges-and-solutions-for-ukrainian-municipalities

Source: own elaboration, CASE.

Please note that this list is non-exhaustive, and readers are encouraged to follow the websites of U-LEAD with Europe and other relevant initiatives available to LRAs.

In addition, some CSOs and think tanks organise information sessions that could be useful for officials in Ukrainian local authorities intending to apply for EU funding.[81] For example, Cedos organises events that touch upon this issue,[82] and the Institute of Analytics and Advocacy[83] organises online sessions that showcase the success stories of hromadas efficiently attracting funding from donors. Sometimes such organisations share recordings of such events on their social media, so that officials who were unable to participate can make use of them.

[81] Interview 7.

[82] See for example: Cedos. (2024). *How to apply for EU funding programmes: Opportunities for hromadas*. Retrieved 17 April 2025from: https://cedos.org.ua/en/events/how-to-apply-for-eu-funding-programmes-opportunities-for-hromadas/ and the recording of this workshop: *EU Funding Programs: Opportunities for Hromadas—YouTube*. (2024). https://www.youtube.com/watch?app=desktop&v=96tdOoHV3Oc

[83] See the website of this organisation (Institute of Analytics and Advocacy. https://iaa.org.ua/en/) and its YouTube channel (https://www.youtube.com/channel/UC1MB2wkc8bU8KCzq-_tzTEg).

2.4.5 Direct links, useful websites, and contact details of support services offering further information

The following list of direct links and contact details of support services provides access to further information on EU financial instruments and programmes available to Ukrainian LRAs. In particular, the list highlights national and regional offices representing particular EU initiatives in Ukraine, while also indicating whether the support services and complementary sources of information are available in Ukrainian.

Table 5 Direct links, useful websites, and contact details of support services offering further information

Support service	Supplementary information	Direct link	Website available in Ukrainian?
EU4Ukraine website	Information on EU programmes and projects targeting various Ukrainian stakeholders (see the "Opportunities" tab).	https://eu4ukraine.eu	Yes
EU Neighbours East website	The latest news and information on the EU's cooperation with its Eastern partners, along with details on opportunities for a range of Ukrainian stakeholders (see the "Opportunities" tab).	www.euneighbourseast.eu	Yes
Delegation of the EU to Ukraine	The latest news and information on the EU's cooperation with Ukraine. Information regarding available funding opportunities, such as grants, is available under the "Opportunities" tab.	Delegation of the European Union to Ukraine | EEAS	Yes
EIB regional hub for Eastern Europe	Address to the EIB office in Kyiv: Delegation of the European Union 101, Volodymyrska Street, 01033, Kyiv Tel. +380 443908018; kyiv@eib.org	https://www.eib.org/en/contacts/office/ukraine	No

EU Funding and Tenders Portal	Comprehensive information about EU funding opportunities, together with online manuals to guide users through the application process on the portal (see the "Guidance and documents" tab).	www.ec.europa.eu/info/funding-tenders/opportunities/portal/screen/home	No
Decentralization.ua website	Information about opportunities for communities including grants, funding programmes, and training (see the "Possibilities" tab).	https://decentralization.ua/en/possibilities	Yes
U-LEAD with Europe programme	Contact details of the Central Office (House of Decentralisation) of the U-LEAD with Europe programme. Please note that the programme also has regional offices in each oblast.	https://u-lead.org.ua/en/contact	Yes
Horizon Europe Office in Ukraine	An access point for Horizon Europe and EURATOM in Ukraine, providing a list of National Contact Points, as well as information on opportunities and guidance for applicants.	https://horizon-europe.org.ua/en/heo-in-ua/	Yes
National Contact Point in Ukraine for the Danube Region Programme	Details for the National Contact Point in Ukraine for the Danube Region Programme (see the "Contact us" tab), along with information on the application procedure, calls for proposals, and a guide for applicants (see the "Apply for funding" tab).	https://interreg-danube.eu/contact-us#ncp	No
National Erasmus+ Office in Ukraine and the Info Centre for Erasmus+ Youth and European Solidarity Corps in Ukraine	Includes the Erasmus+ Programme Guide and contact details for the National Erasmus+ Office in Ukraine.	https://erasmusplus.org.ua/ and https://www.facebook.com/EPlus.Ukraine	Yes

Creative Europe Desk in Ukraine	N/A	https://creativeeurope.in.ua/en	Yes
EU4Energy Regional Office	Office address: Khreschatyk str. 15, Office 65, Kyiv, Ukraine, Tel. +38 044 279 77 00	https://www.energy-community.org/Ukraine/overview.html	No
Interreg Europe representatives in Ukraine	Contact details to Interreg Europe representatives in Ukraine	https://www.interregeurope.eu/ukraine	No
Interreg NEXT Poland – Ukraine 2021-2027 branch office in Lviv	Address for the Branch Office in Lviv and contact details to the Team of experts at the Branch Office	https://pl-ua.eu/en/pages/669	Yes

Source: own elaboration, CASE.

2.5 Support for international municipal partnerships

At the local level, over 300 of Ukraine's 1,469 communities have already established international partnerships,[84] providing access to European programmes, funding, cultural exchanges, capacity-building opportunities, and crucial support during the current crisis. Over 700 municipalities are actively seeking such partnerships to secure essential resources. The Cities4Cities | United4Ukraine initiative[85] and the Council of European Municipalities and Regions (CEMR) Matchmaking platform[86] offer avenues to connect with Ukrainian local and regional authorities.[87] [88]

The U-LEAD with Europe programme has also launched several initiatives to support Ukrainian municipalities, focusing on strengthening governance, fostering international partnerships, and rebuilding essential infrastructure. Four key projects – Bridges of Trust, Polish–Ukrainian Municipal Cooperation, Local School Rehabilitation for Resilience, and TIPS4UA – demonstrate a strategic approach to municipal capacity building, cross-border cooperation, and post-war reconstruction.

2.5.1 Bridges of Trust Initiative

Launched in March 2021, the Bridges of Trust Initiative[89] aims to promote partnerships between Ukrainian municipalities and their counterparts in EU Member States. It aims to improve local governance, promote sustainable development, and facilitate Ukraine's integration into the European community.

The project's main objective is to establish and support 30 new partnerships between Ukrainian and EU municipalities. These collaborations have been focusing on knowledge exchange, capacity building and joint project development in areas such as infrastructure, energy, and social services. The project has been implemented through various activities, including online forums, bilateral meetings, study visits, and internships. These engagements enable municipal representatives to share experiences and develop joint, gender-sensitive

[84] Congress of Local and Regional Authorities. (2024). *Support Ukrainian Municipalities: A Call for Action.* https://www.coe.int/en/web/congress/-/support-ukrainian-municipalities-a-call-for-action
[85] See: https://cities4cities.eu/
[86] See: https://partnerships.ccre-cemr.org/
[87] Congress of Local and Regional Authorities. (2024). *Support Ukrainian Municipalities: A Call for Action.* https://www.coe.int/en/web/congress/-/support-ukrainian-municipalities-a-call-for-action
[88] Another example is the Forum for Strengthening Municipal Partnerships between the EU and Ukraine, which the CoR is organising in cooperation with the European Alliance of Cities and Regions for the Reconstruction of Ukraine on 15 May 2025. See: https://cor.europa.eu/en/plenaries-events/forum-strengthening-municipal-partnerships-between-eu-and-ukraine
[89] Kosheliuk, L., Bridnia N. (2025). *Bridges of Trust: Rebuilding Ukraine through partnerships with the EU municipalities*. https://www.u-lead.org.ua/en/news/642#our-priorities

project proposals for the reconstruction and development of Ukrainian communities.

As of February 2025, the initiative has successfully established 30 partnerships between Ukrainian and EU municipalities. These collaborations have resulted in the development of 48 project proposals ready for funding applications. Beyond project development, the Bridges of Trust initiative has prioritised capacity building and advocacy to strengthen municipal cooperation. Solidarity Forums have raised awareness among European municipalities of the challenges faced by Ukrainian local governments and facilitated discussions on pressing needs and potential cooperation. Training sessions have equipped over 500 municipal representatives with knowledge on project design, EU funding and regional policies relevant to Ukraine's accession process. In addition, advocacy efforts led by the Council of European Municipalities and Regions (CEMR), with support from the European Commission and the Alliance of Cities and Regions for the Reconstruction of Ukraine, have strengthened international partnerships.

2.5.2 The Polish-Ukrainian municipal cooperation

The Polish–Ukrainian municipal cooperation initiative,[90] supported by the Solidarity Fund PL in partnership with U-LEAD with Europe, aims to build the capacity of Ukrainian local authorities through practical exposure to Polish municipal practices. In its first phase, 25 Ukrainian local officials participated in a seven-week internship programme in Polish municipalities, which culminated in the development of 25 project proposals aimed at improving public services, infrastructure, and community engagement. A small project fund was then established to support the implementation of selected initiatives, resulting in five high-impact projects between February and June 2024.

The initiative has resulted in impactful local projects that address diverse community needs. In the municipality of Varash, a multi-functional space was created to promote active ageing by providing workshops and recreational activities for senior citizens. Tulchyn Municipality focused on sustainable waste management, increasing community awareness and participation in environmental initiatives. Zhovkva Municipality improved health services, increasing accessibility and quality for residents. Zhmerynka Municipality prioritised youth engagement through programmes promoting social responsibility and civic participation. Meanwhile, Bar Municipality launched initiatives to strengthen community ties and support local development. These

[90] Kosheyluk, L.,Bridnya N. (2025). *From internships to actions: Polish-Ukrainian community cooperation*. https://u-lead.org.ua/news/644

projects demonstrate practical, localised solutions driven by cross-border cooperation.

2.5.3 Local School Rehabilitation for Resilience

The Local School Rehabilitation for Resilience project,[91] implemented by the Brave Foundation in 2023 under the U-LEAD with Europe programme, aimed to restore and enhance schools damaged by the Russian invasion in the Chernihiv, Kyiv and Kharkiv regions. Guided by the "Build Back Better" principle, the project not only repaired structural damage, but also improved educational spaces by incorporating inclusive areas and modern facilities. The initiative involved professional architects, builders and over 2,000 volunteers from Ukraine and abroad, and encouraged community involvement in the restoration process. Key achievements include the restoration of six roofs, the replacement of 378 windows and 140 doors, the renovation of 45 rooms, the installation of 925 power points and the renovation of seven toilets in 12 schools. This community effort has significantly improved the learning environment for many students in the affected regions.

Together, these initiatives strengthen local governance in Ukraine by promoting EU partnerships, integrating best practices from neighbouring countries, and rebuilding critical local infrastructure.

The **Polish–Ukrainian municipal cooperation** has not only facilitated knowledge transfer but has also empowered Ukrainian municipalities to implement tangible improvements, laying the groundwork for deeper EU–Ukraine municipal cooperation. By engaging local officials in practical, hands-on training through internships and small-scale project implementation, the initiative has demonstrated the value of capacity-building activities in promoting long-term municipal resilience. **The Bridges of Trust** initiative exemplifies a strategic approach to international cooperation, using municipal partnerships as catalysts for sustainable development and post-conflict reconstruction. Its alignment with EU regional policies enhances the capacity of Ukrainian municipalities to access funding, integrate into European networks, and adopt best practices in governance. The capacity-building efforts of this initiative ensure that partnerships go beyond temporary assistance, equipping local governments with the expertise and strategic vision necessary for self-sustaining development. Similarly, the **Local School Rehabilitation for Resilience** project demonstrates

[91] SMILIVI Brave Foundation (n.d). *Local School Rehabilitation for Resilience*. Retrieved 17 April 2025 from: https://decentralization.ua/uploads/attachment/document/1339/Brave_Brochure_Schools_21x21cm_v.1.23_English.pdf

how capacity-building efforts, combined with community engagement, can drive large-scale reconstruction.

In all three initiatives, capacity-building activities play a central role in ensuring sustainability and long-term impact. These projects are not just about short-term relief or reconstruction, but about equipping Ukrainian communities with the skills, networks and institutional knowledge to govern effectively, access international funding, and drive local development.

2.5.4 Training and Internship Programme Support for Ukrainian municipalities and inter-municipal cooperation (TIPS4UA)

TIPS4UA is a recent initiative aimed at providing training and internship opportunities for local government officials in Ukrainian municipalities at the local and regional levels. It was developed within the framework of the European Alliance for Cities and Regions for the Reconstruction of Ukraine and is coordinated by the CoR and U-LEAD with Europe. The initiative seeks to advance international cooperation between municipalities in Ukraine and the EU. Announced at the Ukraine Recovery Conference in Berlin in June 2024, the programme intends to facilitate the process of recovery and reconstruction, equip municipal leaders and officials with the expertise and insights needed for Ukraine's EU-accession process, and promote cross-border collaboration between Ukrainian and EU municipalities.

On 7 March 2025, the CoR and GIZ formalised their collaboration in the programme by signing a partnership agreement, making the official start of the implementation of TIPS4UA in cooperation with U-LEAD with Europe. Under this agreement, U-LEAD will take full responsibility for the day-to-day implementation of the programme. TIPS4UA is partially funded by the Ukraine Facility.[92]

This structure reflects a clear and strategic division of financial and operational responsibilities between the actors. U-LEAD, as the main implementing organisation, oversees implementation and financial management, while the CoR provides political and strategic oversight without direct budgetary involvement. Implementing partners are tasked with logistical coordination and quality assurance throughout the programme cycle, ensuring effective matching, training, and monitoring of host and sending communities. Host municipalities are responsible for providing practical support, including mentoring, accommodation, and integration of trainees, while sending municipalities remain

[92] European Committee of the Regions. (2025). *Programme for Ukrainian municipal leaders and officials launched*. https://cor.europa.eu/en/news/programme-ukrainian-municipal-leaders-and-officials-launched

responsible for nominating participants and co-financing certain costs, such as local travel and salaries.

In a six-month pilot phase launched in April 2025, the initiative will engage twenty municipalities from different EU members states and forty-four staff members from Ukrainian municipalities.[93] The initiative may continue in 2026 and 2027.[94]

The programme's implementation is based on a phased approach. STEP 1 includes hybrid preparatory training sessions on language skills and project management, tailored for municipal leaders and professionals. STEP 2 includes a practical internship component, matching Ukrainian participants with host municipalities in the EU or associated countries to gain hands-on experience in project planning, budgeting and implementation. The selection and matching process for host and sending municipalities is based on complementary needs and capacities, with an emphasis on existing partnerships and thematic alignment. STEP 3 ensures sustainable impact by embedding returning participants in a community of practice, providing ongoing professional development and exchange opportunities. This design ensures that capacity building does not end with the placement, but evolves into a long-term support structure.

[93] Ibidem.
[94] ICLEI – Local Governments for Sustainability (n.d). *Training and Internship Programme Support for Ukrainian Municipalities (TIPS4UA)*. Retrieved 17 April 2025 from: https://iclei-europe.org/fileadmin/user_upload/Our_Work/Advocacy/Ukraine_Recovery_Roadmap/TIPS4UA_Hosting_Organization_GUIDELINES.pdf

3. Conclusions

The context of war and its related crises is creating challenges for local and regional communities in Ukraine. Despite these difficulties, the LRAs are proving resilient. Nevertheless, fulfilling the tasks assigned to them requires both administrative capabilities and financial resources. Efforts furthering capacity building in Ukrainian LRAs have therefore become essential. The EU is supporting this process through a variety of initiatives, some of which benefit from an instrument designed to address the multifaceted challenges confronting Ukraine – the Ukraine Facility, and in particular its Pillar III. In this regard, such initiatives as U-LEAD with Europe, TIPS4UA, and the forthcoming EU4Reconstruction programme will be crucial for providing Ukrainian LRAs with support for building capacities and facilitating international cooperation between municipalities.

Although support offered through the Ukraine Facility will provide LRAs with important measures for capacity building and technical assistance under Pillar III, direct access to the financial assistance will probably be limited (apart from the support under Pillar I). In addition, the indicative amounts of funding allocated under Pillar III are much smaller than those under Pillars I and II, and a considerable share of the funding available under Pillar III may be allocated for borrowing-cost subsidies for loans under Pillar I.[95] Furthermore, assuming that capacity building for LRAs will be facilitated primarily through two programmes: U-LEAD with Europe (with an approximate contribution of EUR 40 million for its current Phase III) and EU4Reconstruction (with an approximate contribution of EUR 10 million),[96] the study highlights that these programmes account for only a small proportion of the total amount allocated under Pillar III (EUR 4.76 billion). This is particularly concerning given the limited absorption capacity of some Ukrainian LRAs and the difficulties they face in offering bankable projects, especially when considered alongside the increased investment expected with support envisaged under Pillar II.[97] Given the mounting needs and already stretched financial and administrative capacities of municipalities, these issues also raise concerns about whether the role of LRAs in Ukraine's recovery,

[95] See European Court of Auditors. (2023). *Opinion 03/2023 (pursuant to Articles 212 and 322, TFEU) concerning the proposal for a Regulation of the European Parliament and of the Council on establishing the Ukraine Facility [Interinstitutional File 2023/0200(COD) of 20 June 2023]*. Retrieved 17 April 2025 from: https://www.eca.europa.eu/ECAPublications/OP-2023-03/OP-2023-03_EN.pdf; Bergman, J., (2024). *The European Union's new Ukraine Facility: an important though insufficient step?* Retrieved 17 April 2025 from: https://ettg.eu/eu-ukraine-facility-important-yet-insufficient-step/

[96] Please note that the amounts of funding specified in this paragraph regarding the U-LEAD and EU4Reconstruction programmes only concern the TCF2024 (which has a total budget of EUR 248 million). The amounts allocated under the next TCFs are not yet known. Also, these amounts do not reflect the total budgets of the aforementioned programmes, as in addition to the contributions from the Ukraine Facility, some EU Member States also contribute to them financially.

[97] It should be noted that some of these investments may come together with technical assistance for municipalities to ensure that they can be implemented efficiently.

reconstruction, modernisation, and decentralisation is being adequately considered.

Furthermore, even though Regulation (EU) 2024/792 states that Pillar III will provide support for capacity building in local and *regional* authorities, this will be delivered mainly through programmes such as U-LEAD with Europe and EU4Reconstruction. In its third phase, the U-LEAD programme will focus primarily on supporting hromadas. Similarly, although regional administrations will likely be eligible to participate in the EU4Reconstruction programme, the emphasis will again be on hromadas. As a result, capacity-building activities under the Ukraine Facility will concentrate mainly on administrative units at the basic local level, with potentially less attention given to the regional tier. This approach likely stems from the current risk of exacerbating "re-centralisation" tendencies, possibly linked to the presence of military administrations at the regional level.

The study also highlights that there is still some lack of clarity regarding how the Ukraine Facility will support capacity building in Ukraine's LRAs, despite the significant potential of several related programmes. For example, according to some interviewees,[98] awareness of the Ukraine Facility, and in particular its Pillar III, remains low among Ukrainian LRAs. Uncertainty persists over how they will be able to benefit from it and how the funding allocated to them will be disbursed. For instance, 20% of grant funds under Pillar I are earmarked for subnational authorities, particularly local self-government, but the procedures for distributing these funds remain unclear.[99] At the same time, it is worth reiterating that the capacity-building programmes funded under Pillar III of the Ukraine Facility generally do not provide LRAs with direct grant funding, but instead offer training and technical support.

In the long term, capacity building in Ukraine's LRAs is crucial for ensuring that municipalities will be able to compete not only for donors' funding but also in terms of attracting businesses. However, different municipalities' circumstances vary enormously, and at the moment the smaller and more peripheral ones are struggling to offer bankable projects. Failure to provide sufficient support to build the capacity of such municipalities may exacerbate inequalities and leave the poorest behind.

[98] Interviews 4 and 9.
[99] Interview 6.

Annex 1: Reference Leaflet for Ukrainian LRAs
Funding opportunities and capacity building programmes for Ukrainian LRAs

About this leaflet

This leaflet is intended for Ukrainian local and regional authorities (LRAs). It provides practical information to facilitate LRAs' efforts in navigating the relevant EU programmes, especially in view of capacity-building activities. It also briefly overviews European Union (EU) funding opportunities.

The leaflet:

- Explains what capacity building means and why it is crucial for Ukrainian LRAs right now.
- Highlights EU support for Ukrainian LRAs, focusing on the Ukraine Facility and in particular its Pillar III, which provides key funding for capacity-building efforts.
- Introduces the U-LEAD with Europe programme.
- Provides a list of current EU programmes, funding opportunities, and other international initiatives supporting LRAs at regional, bilateral, and sectoral levels.
- Lists useful guides, handbooks, and resources to help LRAs prepare strong applications for EU funding.

Information included in the leaflet is up-to-date as of April 2025. Please note that the policy landscape is evolving and some details may change as new programmes are introduced or existing ones are adapted.

What is capacity building and why is it important now?

Ukraine has four levels of government: national, regional (oblasts), district (raions) and local (hromadas). Some areas, such as Crimea and Sevastopol, have a special status.

Local and regional authorities in Ukraine play a key role in public services, development planning, and crisis response. To perform these functions effectively, they need both financial resources and strong administrative skills – such as project management and long-term planning.

Today, capacity building for LRAs in Ukraine is more important than ever. As the challenges of war continue and the country works towards EU membership, local and regional governments must be well prepared to lead recovery, reconstruction and modernisation efforts.

How is the EU supporting Ukrainian LRAs?

Ukraine is committed to building the capacity of its LRAs through financial and technical support provided by the EU and its Member States. The country benefits from several EU programmes and initiatives, such as Twinning, TAIEX, U-LEAD with Europe, and the European Alliance of Cities and Regions for the Reconstruction of Ukraine.

A key financial instrument is the Ukraine Facility, which is providing up to EUR 50 billion in the period of 2024–2027 for supporting Ukraine's recovery, reconstruction, modernisation, and EU accession. It consists of three pillars, each focused on different aspects of Ukraine's recovery and the EU integration process. Its Pillar III supports Ukraine's alignment with EU laws and regulations in preparation for future membership. It also aims to support LRAs through capacity building, while fostering decentralisation. The flagship initiative in this regard is the Ukraine – Local Empowerment, Accountability and Development Programme (U-LEAD with Europe), which at its current implementation phase is partially funded by the Ukraine Facility. Another relevant programme will be the EU4Reconstruction programme, which is currently under development and is expected to be launched in the summer of 2025.

A closer look at the U-LEAD with Europe programme

U-LEAD with Europe is a key EU-funded programme supporting decentralisation in Ukraine. Its main objective is to support multi-level governance that is transparent, accountable, and responsive to the needs of citizens. The programme provides capacity building activities and technical assistance.

U-LEAD places special emphasis on the smaller local municipalities (hromadas). It operates through 24 regional offices, one in each region (oblast), which coordinate training and communication with municipalities.

The programme's capacity-building activities are delivered in three formats:

- informative sessions;
- training programmes;
- tailored consultations.

Information about the training available is communicated to municipalities by the Regional Offices. Open calls for applications are regularly announced to local officials. U-LEAD's activities are generally open to local self-government officials who:

- are at municipalities with a population of fewer than 50,000;
- have demonstrated their motivation;
- have obtained their supervisor's approval ;

- have the necessary IT equipment (computer with camera and internet connection).

Contacts and more information

Website: https://u-lead.org.ua/en/contact

Facebook: https://www.facebook.com/ULEADwithEurope

Central Office in Kyiv:

Velyka Zhytomyrska street, 20

Email: pr.u-lead@giz.de

Phone: +380-67-345-4353

Selected EU financial instruments and programmes available to Ukrainian LRAs

In addition to the U-LEAD and EU4Reconstruction programmes which focus on capacity building, several EU initiatives are available to support Ukrainian local and regional governments at regional, bilateral, and sectoral levels. They are listed below:

Regional (Eastern Partnership-wide)	
Mayors for Economic Growth (M4EG) Local economic development and resilience	https://eum4eg.com
EU4Energy Energy policy reform and efficiency	https://www.iea.org/programmes/eu4energy
EU4Youth Youth employment and entrepreneurship	https://euneighbourseast.eu/projects/eu-project-page/?id=1641
Bilateral (Ukraine-specific)	
U-LEAD with Europe Local governance and decentralisation	https://u-lead.org.ua
Bridges of Trust Municipal partnerships between Ukrainian and EU cities	https://ccre-cemr.org/bridges-of-trust
EU4Recovery – Empowering Communities Post-war recovery and community resilience (UNDP/EU)	https://www.undp.org/ukraine/projects/eu4recovery-empowering-communities-ukraine-eu4recovery
CEMR Matchmaking Platform Partnering EU and Ukrainian municipalities	https://partnerships.ccre-cemr.org/

Sectoral programmes and instruments	
Education, innovation and culture	
Erasmus+ Mobility and education exchange	https://erasmus-plus.ec.europa.eu/
Horizon Europe Research and innovation	https://research-and-innovation.ec.europa.eu/funding/funding-opportunities/funding-programmes-and-open-calls/horizon-europe_en
Creative Europe Culture and creative sectors	https://culture.ec.europa.eu/
Digital Europe Digital transformation	https://digital-strategy.ec.europa.eu/en/activities/digital-programme
Urban development, regional cooperation, and infrastructure	
URBACT| Sustainable urban development	https://urbact.eu/
Connecting Europe Facility Infrastructure and connectivity	https://commission.europa.eu/funding-tenders/find-funding/eu-funding-programmes/connecting-europe-facility_en
Interreg Europe Regional cooperation	https://www.interregeurope.eu/ukraine
Interreg NEXT Programmes (Poland-Ukraine; Hungary-Slovakia-Romania-Ukraine; Romania-Ukraine; Black Sea)	https://ec.europa.eu/regional_policy/policy/cooperation/european-territorial/next_en
Danube Region Programme Danube regional cooperation	https://www.interreg-danube.eu/
Environment and health	
LIFE Environmental protection	https://cinea.ec.europa.eu/programmes/life_en
EU4Health Public health initiatives	https://health.ec.europa.eu/funding/eu4health-programme-2021-2027-vision-healthier-european-union_en
EU Civil Protection Mechanism Emergency response	https://ec.europa.eu/echo/what/civil-protection/mechanism_en

Selected guidelines, handbooks, and other publications for Ukrainian LRAs

Various guidelines, handbooks, and other publications are available to help Ukrainian LRAs apply for EU funding:

Author(s)	Title	Date of publication	Language of publication	Available at
L. Trofin, M. Kosheliuk	Overview of EU Programs Available to Applicants from Ukraine	January 2024	Ukrainian	The website of East Europe Foundation: https://eef.org.ua/en/report/posibnyk-iz-oglyadom-program-yes-dlya-ukrayiny/
L. Ogryzko, V. Nabok, O. Andrieieva, V. Kyrulo	Donors Guide Book (1st review)	28.05.2024	English	The website of the Institute of Analytics and Advocacy: https://iaa.org.ua/en/portfolio/donors-guidebook-1st-review/.
N. Vinnychuk	Step-by-step guide: How to write a grant application for an energy project?	17.11.2023	English and Ukrainian	The website of U-LEAD with Europe programme: https://www.u-lead.org.ua/en/news/325.
N. Vinnychuk	Erasmus+ for Ukraine-2025: step-by-step beginner's guide	07.01.2025	English and Ukrainian	The website of U-LEAD with Europe programme: https://u-lead.org.ua/en/news/628.
V. Nabok	EU funds: Opportunities for Ukraine	06.06.2023	Ukrainian	The website of the Institute of Analytics and Advocacy: https://iaa.org.ua/en/portfolio/founds-of-eu/.
Institute for Economic Research and Policy Consulting, Center for Economic Strategy, DiXi Group, Institute of Analytics and Advocacy	Ukraine Recovery Cookbook	11.05.2023	English	The website of the Institute of Analytics and Advocacy: https://iaa.org.ua/en/portfolio/cookbook/.
U-LEAD with Europe	Training and Internship Programme Support for Ukrainian Municipalities	n.d.	English	The website of ICLEI – Local Governments for Sustainability: https://iclei-europe.org/fileadmin/user_upload/Our_Work/Advocacy/

	(TIPS4UA) Implementation Guidelines			Ukraine_Recovery_Roadmap/TIPS4UA_Implementation_GUIDE.pdf.
V. Kozina, M. Koshelyuk et al.	Methodical recommendations for international municipal partnership guide (Council of Europe)	2022	Ukrainian	The website of the Council of Europe: https://rm.coe.int/metodychni-rekomendatsii-partnerstvo-2022-2-/1680aedfd8
M. Lukyanova, V. Martsynkevych	Ukrainian communities at the forefront of reconstruction efforts. Financial sources and their accessibility for municipalities	November 2023	English	The website of the Center for Environmental Initiatives Ecoaction: https://en.ecoaction.org.ua/wp-content/uploads/2023/12/Ukrainian-communities-at-the-forefront11-2023s.pdf
M. Lukyanova	Ukraine's recovery on the ground: mapping financial resources and solutions for municipalities	2023	English	The website of CEE Bankwatch Network: https://bankwatch.org/story/rebuilding-ukraine-funding-challenges-and-solutions-for-ukrainian-municipalities

This document was prepared by CASE – Center for Social and Economic Research as part of a project on *Capacity building for local and regional authorities in the light of the Ukraine Facility (Pillar III)* commissioned by the European Committee of the Regions (CoR) under the specific contract No CDR.20730 implementing the multiple framework contract for studies in the field of external relations No CDR/2022/B3/1/1-CIVEX-RELEX. The full study prepared in this project, entitled "Capacity building for local and regional authorities in the light of the Ukraine Facility (Pillar III)", is available at the website of the CoR: https://cor.europa.eu/en/our-work/studies-publications. The document does not represent the official views of the CoR.

Please note that this leaflet is based on research and data as of April 2025. The landscape of support for LRAs in Ukraine is constantly evolving, and some details may change as new programmes are introduced or existing ones are adapted. Readers are thus advised to exercise caution due to the evolving nature of the policy environment.

Annex 2: Reforms, investments and indicators included in the Ukraine Facility Plan regarding Decentralisation and Regional Policy – selected excerpts

Chapter of Ukraine Plan	Reforms and investments	Name of the step (quantitative and qualitative steps to implement reforms or investments)	Agency responsible for implementation	Outcome	Timeframe
Human Capital	Investment 1. Investment in education	Provision of access to safe and quality education	Ministry of Education and Science, Ministry of Finance	Report of the government (or Treasury report) showing that in the State Budgets for 2024, 2025, 2026 and 2027 the general government allocated, in particular to regional and local levels (as part of the indicator in the Decentralisation section on allocating 20% to the subnational level), at least EUR 650 million (in UAH equivalent) for improving access to safe and quality education, including preschool education in line with the new legislation on preschool education, among others for the following: - shelters and safe conditions in educational establishments - school buses - modern teaching methods, including through digitalisation - materials and equipment for educational establishments - quality nutrition - new Vocational Education and Training (VET) centres based on market demand for skilled labour and in accordance with standards for effective VET, in line with the new legislation on Vocational Education	Q4 2027

Chapter of Ukraine Plan	Reforms and investments	Name of the step (quantitative and qualitative steps to implement reforms or investments)	Agency responsible for implementation	Outcome	Timeframe
Human Capital	Investment 1. Investment in education	Provision of access to safe and quality education	Ministry of Education and Science, Ministry of Finance	Interim report of the government (or Treasury report) showing that in the State Budgets for 2024 and 2025 the general Government allocated, in particular to regional and local levels (as part of the indicator in the Decentralisation section on allocating 5% to the subnational level), at least EUR 300 million (in UAH equivalent) for improving access to safe and quality education, including preschool education in line with the new legislation on preschool education, among others for the following: - shelters and safe conditions in educational establishments - school buses - modern teaching methods, including through digitalisation - materials and equipment for educational establishments - quality nutrition - new Vocational Education and Training (VET) centres based on market demand for skilled labour and in accordance with standards for effective VET, in line with the new legislation on Vocational Education	Q2 2026
Human Capital	Investment 2. Investment in healthcare	Creation of appropriate conditions for patient stay in health care institutions (including renovation of premises, reconstruction, etc.) to	Ministry of Health, Ministry of Finance	Report of the Government (or Treasury report) showing that in the State Budgets for 2024, 2025, 2026 and 2027 the general Government budgeted at least EUR 400 million (in UAH equivalent) for strengthening healthcare, with part of this amount allocated to the regional level (as part of the indicator in the	Q4 2027

Chapter of Ukraine Plan	Reforms and investments	Name of the step (quantitative and qualitative steps to implement reforms or investments)	Agency responsible for implementation	Outcome	Timeframe
		improve the quality of service provision		Decentralisation section on allocating 20% to the subnational level), among others for the following: - laboratory equipment for micro-biological, chemical, and physical analysis - shelters and safety measures for healthcare facilities - hospital equipment for medical analysis, surgery, and patient care - healthcare infrastructure and facilities - IT systems, databases, electronic patient records, information, and reference services to improve the efficiency and effectiveness of healthcare services	
Human Capital	Investment 2. Investment in healthcare	Creation of appropriate conditions for patient stay in health care institutions (including renovation of premises, reconstruction, etc.) to improve the quality of service provision	Ministry of Health, Ministry of Finance	Interim report of the Government (or Treasury report) showing that in the State Budgets for 2024 and 2025 the general Government budgeted at least EUR 200 million (in UAH equivalent) for strengthening healthcare, with part of this amount allocated to the regional level (as part of the indicator in the Decentralisation section on allocating 5% to the subnational level), among others for the following: - laboratory equipment for micro-biological, chemical, and physical analysis - shelters and safety measures for healthcare facilities - hospital equipment for medical analysis, surgery, and patient care - healthcare infrastructure and facilities - IT systems, databases, electronic patient records, information, and reference services to improve efficiency and effectiveness of healthcare services. An	Q2 2026

Chapter of Ukraine Plan	Reforms and investments	Name of the step (quantitative and qualitative steps to implement reforms or investments)	Agency responsible for implementation	Outcome	Timeframe
				interim report on such funds will be submitted to the European Commission in the second quarter of 2026 for the years 2024–2025	
Human Capital	Investment 3. Investment in social infrastructure	Reconstruction and restoration of damaged or destroyed social infrastructure facilities	Ministry of Communities, Territories and Infrastructure Development, Ministry of Finance	Report of the Government (or Treasury report) showing that in the State Budgets for 2026 and 2027 the general Government budgeted at least EUR 350 million (in UAH equivalent) for the restoration, construction (new construction, reconstruction, renovation, restoration) of damaged or destroyed social infrastructure, part of which will be allocated to the regional level (as part of the indicator in the Decentralisation section on allocating 20% to the subnational level), to eliminate the social, economic and environmental consequences caused by the armed aggression of the Russian Federation against Ukraine, in particular to the regional level	Q4 2027

Chapter of Ukraine Plan	Reforms and investments	Name of the step (quantitative and qualitative steps to implement reforms or investments)	Agency responsible for implementation	Outcome	Timeframe
Decentralisation and Regional Policy	Reform 1. Advance decentralisation reform	Entry into force of legislation on reforming the territorial organisation of the executive authorities in Ukraine	Ministry of Communities, Territories and Infrastructure Development	The Law of Ukraine "On Amendments to the Law of Ukraine 'On Local State Administrations' and Some Other Legislative Acts of Ukraine as Regards the Reforming of Territorial Organisation of the Executive Authorities in Ukraine" is adopted and enters into force within 12 months of the date of termination or abolition of martial law in Ukraine. Following its entry into force, the necessary subordinate legal acts for implementation of the Law of Ukraine were adopted. The Law of Ukraine facilitating the focus on transforming local state administrations into prefecture-type authorities in order to create a balanced system that ensures the legality of activities undertaken by local self-government bodies, and coordinates the territorial bodies of central executive authorities in implementing state policy at regional and local levels	Q1 2025
Decentralisation and Regional Policy	Reform 1. Advance decentralisation reform	Endorsement and publication on the ministry's website of a study on the necessary measures to grant legal personality to territorial communities	Ministry of Communities, Territories and Infrastructure Development, Ministry of Justice	The results of the study on the possibility of granting territorial communities legal entity status are published on the official web portal of the Ministry of Communities, Territories and Infrastructure Development	Q2 2025

Chapter of Ukraine Plan	Reforms and investments	Name of the step (quantitative and qualitative steps to implement reforms or investments)	Agency responsible for implementation	Outcome	Timeframe
Decentralisation and Regional Policy	Reform 1. Advance decentralisation reform	Entry into force of the legislation to ensure a better distribution of powers between local governments and executive authorities	Ministry of Communities, Territories and Infrastructure Development, supported by Ministry of Education and Science, Ministry of Health, Ministry of Culture and Information Policy, Ministry of Social Policy, Ministry of Youth and Sports, Ministry of Finance, Other involved authorities	Amendments to the Law of Ukraine "On Local Self-Government in Ukraine" and sector-specific laws enter into force. These legislative amendments will lead to a better distribution of powers between local governments and executive authorities, based on the principles of subsidiarity and decentralisation. They will help eliminate conflicts of competence between different tiers of central, regional, district and local authorities – as well as within bodies of local self-government. They will also contribute to higher-quality public services at the local level and more efficient use of budget funds	Q1 2026

Chapter of Ukraine Plan	Reforms and investments	Name of the step (quantitative and qualitative steps to implement reforms or investments)	Agency responsible for implementation	Outcome	Timeframe
Decentralisation and Regional Policy	Reform 2. Increased involvement of citizens in decision-making processes at the local level	Entry into force of the legislation for public consultations on public policy	Ministry of Justice	The Law of Ukraine "On Public Consultations" is adopted and enters into force within 12 months of the date of termination or abolition of martial law in Ukraine. It will establish a legal framework for public consultations during the development and implementation of public policy and when addressing issues of local importance, thereby establishing the groundwork for coherent, effective and efficient policy- and decision-making	Q1 2025
Decentralisation and Regional Policy	Reform 3. Strengthen the development and implementation of regional policy	Entry into force of the Resolution of the Cabinet of Ministers to amend the State Strategy for Regional Development for 2021–2027	Ministry of Communities, Territories and Infrastructure Development	The Resolution of the Cabinet of Ministers "On Amendments to the State Strategy for Regional Development for 2021–2027, approved by the Resolution of the Cabinet of Ministers № 695 dated 5 August 2020" enters into force. This Resolution aims to: - develop multi-level governance and align the regional development management system with EU procedures and best practices - promote partnerships, including inter-municipal, interregional and cross-border cooperation - strengthen the institutional capacity of territorial communities and regions in areas such as project management, digitalisation, anti-corruption, and strategic planning	Q3 2024

Chapter of Ukraine Plan	Reforms and investments	Name of the step (quantitative and qualitative steps to implement reforms or investments)	Agency responsible for implementation	Outcome	Timeframe
Decentralisation and Regional Policy	Reform 3. Strengthen the development and implementation of regional policy	Entry into force of the legislation for the development of urban planning at the local level	Ministry of Communities, Territories and Infrastructure Development	The Cabinet of Ministers adopted resolutions approving the procedures for maintaining the state-level urban planning cadastre, the Unified State Address Register, the Unified State Register of Buildings and Structures, and the Unified State Register of Administrative Units. These amend previous resolutions of the Cabinet of Ministers regulating the development of urban planning documentation in electronic form, the operation of the Unified State Electronic System in the field of construction, and the integration and information exchange between state registers and cadastres	Q4 2024
Decentralisation and Regional Policy	Investment 1. Investment in the recovery, reconstruction and modernisation needs of Ukraine's subnational authorities, in particular local self-government	Provision of non-repayable financial support under Pillar I of the Ukraine Facility to cover the needs for the restoration, reconstruction and modernisation of Ukraine's subnational authorities, including local self-government	Ministry of Development of Communities, Territories and Infrastructure, Ministry of Finance	Interim report showing that at least 5% of the non-repayable financing support under Pillar I of the Ukraine Facility has been allocated to the recovery, reconstruction and modernisation needs of Ukraine's subnational authorities, in particular local self-government	Q2 2026

Chapter of Ukraine Plan	Reforms and investments	Name of the step (quantitative and qualitative steps to implement reforms or investments)	Agency responsible for implementation	Outcome	Timeframe
Decentralisation and Regional Policy	Investment 1. Investment in the recovery, reconstruction and modernisation needs of Ukraine's subnational authorities, in particular local self-government	Provision of non-repayable financial support under Pillar I of the Ukraine Facility to cover the needs for the restoration, reconstruction and modernisation of Ukraine's subnational authorities, including local self-government	Ministry of Development of Communities, Territories and Infrastructure, Ministry of Finance	Report proving that at least 20% of the non-repayable financing support under Pillar I of the Ukraine Facility has been allocated to the recovery, reconstruction and modernisation needs of Ukraine's subnational authorities, in particular local self-government	Q4 2027

Chapter of Ukraine Plan	Reforms and investments	Name of the step (quantitative and qualitative steps to implement reforms or investments)	Agency responsible for implementation	Outcome	Timeframe
Transport	Investment 1. Investments in transport infrastructure	Investments of at least EUR 350 million in transport infrastructure	Ministry for Communities, Territories and Infrastructure Development, Ministry of Finance	Report of the Government (or Treasury report) showing that in the State Budgets for 2026 and 2027, the general Government allocated at least EUR 350 million (in UAH equivalent) for the reconstruction, restoration, modernisation, and upgrading of damaged and destroyed transport infrastructure facilities, in line with the National Transport Strategy of Ukraine until 2030. This includes a portion of the funds to be directed to the regional level (as part of the indicator in the Decentralisation section on allocating 20% to the subnational level), in the following sectors: - railways (in line with new legislation on railway transport in Ukraine) - maritime and inland shipping (in line with new legislation on merchant shipping and shipping on inland waterways) - roads - aviation - border crossing points (in line with the Strategy for developing and expanding border infrastructure with EU Member States and the Republic of Moldova until 2030)	Q4 2027

Source: *Ukraine Plan 2024-2027*, available at: https://www.ukrainefacility.me.gov.ua/en/.

References

- All-Ukrainian association of local self-governments “AATC”. (n.d.). *Local Government System in Ukraine* Retrieved 17 April 2025 from: https://www.en.hromady.org/about/lginua/
- Bieliei S., Sidło K., & Zubel K. (2021). *EU financial assistance available to local and regional authorities in Eastern Partnership Countries*. Comittee of the Regions. https://op.europa.eu/en/publication-detail/-/publication/54bf7dac-6856-11e5-9317-01aa75ed71a1
- CEPR. (n.d.). *Ukraine’s resilience: How an administrative reform boosted social capital and trust in Ukrainian communities*. Retrieved 17 April 2025 from: https://cepr.org/voxeu/columns/ukraines-resilience-how-administrative-reform-boosted-social-capital-and-trust
- Congress of Local and Regional Authorities. (2024). *Support Ukrainian Municipalities: A Call for Action - Congress of Local and Regional Authorities*. Retrieved 17 April 2025 from: https://www.coe.int/en/web/congress/-/support-ukrainian-municipalities-a-call-for-action
- Darkovich, A., & Savisko, M. (n.d.). *(De)Centralization? Challenges to Local-Level Governance under Martial Law in Ukraine*.
- Darkovich, A., & Savisko, M. (n.d.). *Trends in the interaction of local self-government and state authorities at the local level in Ukraine—Short version of the report*.
- DG ENEST (n.d.). *Ukraine Facility*. (n.d.). Retrieved 17 April 2025 from: https://enlargement.ec.europa.eu/funding-technical-assistance/ukraine-facility_en
- DG NEAR. (2024). *Commission disburses first regular payment under the Ukraine Facility*. Retrieved 17 April 2025 from: https://enlargement.ec.europa.eu/news/commission-disburses-first-regular-payment-under-ukraine-facility-2024-08-13_en
- DG NEAR. (2024). *The EU signs €1.4 billion of new guarantee and grant agreements to support Ukraine’s recovery and attract private sector investments*. Retrieved 17 April 2025 from: https://enlargement.ec.europa.eu/news/eu-signs-eu14-billion-new-guarantee-and-grant-agreements-support-ukraines-recovery-and-attract-2024-06-11_en

- EEAS. (n.d.). *EU, Member States, and Partners unveil Phase III of U-LEAD with Europe to enhance local governance and development with €62 million support. https://www.eeas.europa.eu/delegations/ukraine/eu-member-states-and-partners-unveil-phase-iii-u-lead-europe-enhance-local-governance-and_en?s=232*
- *Empowering European towns: The crucial role of capacity-building | Interreg Europe*. (10 March 2025). Retrieved 17 April 2025 from: https://www.interregeurope.eu/policy-learning-platform/news/empowering-european-towns-the-crucial-role-of-capacity-building
- *EU NEIGHBOURS East.* (18 April 2025). *https://euneighbourseast.eu/projects/eu-project-page/*
- EU Neighbours East. (2025). *Forth Rapid Damage and Needs Assessment in Ukraine: Total cost of reconstruction and recovery estimated at €506 billion.* Retrieved 17 April 2025 from: https://euneighbourseast.eu/news/latest-news/forth-rapid-damage-and-needs-assessment-in-ukraine-total-cost-of-reconstruction-and-recovery-estimated-at-e506-billion/
- European Commission. (2024). *Statement of estimates of the European Commission for the financial year 2025: Preparation of the 2024 draft budget*. Publications Office. https://doi.org/10.2761/799780
- European Commission. (n.d). *Ukraine Investment Framework*. https://enlargement.ec.europa.eu/european-neighbourhood-policy/countries-region/ukraine/ukraine-investment-framework_en
- European Committee of the Regions (n.d.). *European Alliance of Cities and Regions for the Reconstruction of Ukraine.* (11 March 2025). Retrieved 17 April 2025 from: https://cor.europa.eu/en/our-work/cooperations-and-networks/european-alliance-cities-and-regions-reconstruction-ukraine
- European Committee of the Regions. (2023). *EU's Ukraine Facility should provide stronger support for local and regional reforms*. https://cor.europa.eu/en/news/eus-ukraine-facility-should-provide-stronger-support-local-and-regional-reforms
- European Committee of the Regions. (7 March 2025). *Programme for Ukrainian municipal leaders and officials launched*. https://cor.europa.eu/en/news/programme-ukrainian-municipal-leaders-and-officials-launched
- European Investment Bank. (2 January 2025). *Ukraine District Heating*

Ukreximbank. Retrieved 17 April 2025 from: https://www.eib.org/en/projects/pipelines/all/20240760

- European Investment Bank. (2025, April 9). *EIB Group President Calviño and Ukrainian Prime Minister Shmyhal accelerate support to Ukraine with new projects restoring vital services*. Retrieved 17 April 2025 from: https://www.eib.org/en/press/all/2025-180-eib-group-president-calvino-and-ukrainian-prime-minister-shmyhal-accelerate-support-to-ukraine-with-new-projects-restoring-vital-services
- European Parliament - Multimedia Centre. (2024). *Joint committee on Foreign Affairs and committee on Budgets*. Retrieved 17 April 2025 from: https://multimedia.europarl.europa.eu/webstreaming/joint-committee-on-foreign-affairs-and-committee-on-budgets_20241203-1630-COMMITTEE-AFET-BUDG
- European Parliament (2024). *Parliament and Council agree on long-term solution for Ukraine's funding needs*. Retrieved 17 April 2025 from: https://www.europarl.europa.eu/news/en/press-room/20240205IPR17405/parliament-and-council-agree-on-long-term-solution-for-ukraine-s-funding-needs
- Horbliuk, S., Brovko, O. (2022). *The Territorial and Decentralization Reform in Ukraine (2014–2020).* Studia Regionalne i Lokalne, 2(88), 16–30. https://doi.org/10.7366/1509499528802
- Keudel O., Huss O. (2024). *Polycentric governance in practice: The case of Ukraine's decentralised crisis response during the Russo-Ukrainian war*. Bristol University Press, 39(1). https://bristoluniversitypressdigital.com/view/journals/jpfpc/39/1/article-p10.xml
- Kosheliuk L., Bridnia N. (20 February 2025). *Bridges of Trust: Rebuilding Ukraine through partnerships with the EU municipalities*. Retrieved 17 April 2025 from: https://www.u-lead.org.ua/en/news/642#our-priorities
- Kosheyluk L., Bridnya N. (24 February 2025). *From internships to actions: Polish-Ukrainian community cooperation*. Retrieved 17 April 2025 from: https://u-lead.org.ua/news/644
- Ministry of Economy of Ukraine (2024). *Ukraine and the EU signed a framework agreement for financing under the Ukraine facility*. Retrieved 17 April 2025 from: https://me.gov.ua/News/Detail?lang=uk-UA&id=f415a81c-59d1-43dd-ae32-8f9af3c25d3e&title=VerkhovnaRadaRatifikuvalaRamkovuUgoduUkraine

Facility
- Ministry of Economy of Ukraine (2024). *Yuliia Svyrydenko: Ukraine has already received EUR 6 billion under the Ukraine Facility programme in March and April this year*. Retrieved 17 April 2025 from: https://www.kmu.gov.ua/en/news/yuliia-svyrydenko-v-ramkakh-prohramy-ukraine-facility-ukraina-otrymala-vzhe-6-mlrd-ievro-u-berezni-ta-kvitni-tsoho-roku
- OECD (2022). *Rebuilding Ukraine by Reinforcing Regional and Municipal Governance*. https://www.oecd.org/en/publications/rebuilding-ukraine-by-reinforcing-regional-and-municipal-governance_63a6b479-en.html
- Official Website of the Parliament of Ukraine. (1997). *On Local Self-Government in Ukraine*. Retrieved 17 April 2025 from: https://zakon.rada.gov.ua/go/280/97-%D0%B2%D1%80
- Oleh Brovko. (2024). *Local government resilience in the face of Russian aggression: The case of Ukraine*. Retrieved 17 April 2025 from: https://www.tandfonline.com/doi/full/10.1080/21622671.2024.2327369?casa_token=ALBsFS1RIooAAAAA%3ApjQHvcD_vIOgBSeIP6IBq4MSJ8tqRYbeobI4ldba2XgKbSfh7zszGp9oFK_gLrt1pqB7Jl3HMr-H#abstract
- Peters T. (2024). *Establishing the Ukraine Facility – Financing Ukraine's recovery and its path to EU accession*. European Parliament.
- Peters T., Krome J. (2024). *At a glance. Ukraine Facility: State of play.* European Parliament.
- Piotr Sobolewski. (2025). *BGK stawia na Ukrainę. "Nie możemy tracić czasu, inni już tam są."* Xyz.Pl. https://xyz.pl/bgk-pomoze-polskim-firmom-wejsc-na-ukraine-nie-mozemy-tracic-czasu-inni-juz-tam-sa/
- *Plan for implementation Ukraine Facility 2024-2027*. (2023). Recovery Vision of Ukraine. http://www.ukrainefacility.me.gov.ua/
- Rabinovych M., Brik T., Darkovich A., Savisko M., Hatsko V., Tytiuk S., & Igor Piddubnyi I. (2023). *Explaining Ukraine's resilience to Russia's invasion: The role of local governance*. Retrieved 17 April 2025 from: https://onlinelibrary.wiley.com/doi/full/10.1111/gove.12827
- RBC-Ukraine (2024). *Ukraine and EU sign €27 billion loan agreement under Ukraine Facility*. РБК-Украина. Retrieved 17 April 2025 from: https://www.rbc.ua/rus/news/ukrayina-ta-es-pidpisali-kreditnu-ugodu-ukraine-1719255882.html
- *Regulation (EU) 2024/792 of the European Parliament and of the Council of 29 February 2024 establishing the Ukraine Facility*. (n.d.). Retrieved 17

April 2025 from: https://eur-lex.europa.eu/eli/reg/2024/792/oj/eng
- *Regulation (EU) 2024/792 of the European Parliament and of the Council of 29 February 2024 establishing the Ukraine Facility*. (n.d.). Retrieved 17 April 2025 from: https://eur-lex.europa.eu/eli/reg/2024/792/oj/eng
- Romanova V., Umland A. (2023). *Domestic and International Dimensions of Ukraine's Decentralization: Kyiv's Local Governance Reform and Post-Soviet Democratization*. Demokratizatsiya: The Journal of Post-Soviet Democratization, 31(3), 363–389. https://muse.jhu.edu/pub/280/article/902801
- Smętkowski, M., Kniazevych, A., Olechnicka, A., Orchowska, J., & Przekop-Wiszniewska, E. (2023). *Cooperation between EU cities and regions with their Ukrainian partners.* Retrieved 18 April 2025 from: https://www.europarl.europa.eu/RegData/etudes/STUD/2023/733117/IPOL_STU(2023)733117_EN.pdf
- *The Constitution of Ukraine*. (1996). Official Website of the Parliament of Ukraine. Retrieved 17 April 2025 from: https://zakon.rada.gov.ua/go/254%D0%BA/96-%D0%B2%D1%80
- *Ukraine Facility Platform*. (n.d.). Retrieved 17 April 2025 from: https://uafp.eu/

EN

ISBN 978-92-895-3753-7
doi: 10.2863/7567823

QG-01-25-028-EN-N

Publications Office
of the European Union

European Committee
of the Regions

Created in 1994, the European Committee of the Regions is the EU's political assembly of 329 regional and local representatives such as regional presidents or city-mayors from all 27 Member States, representing over 446 million Europeans.

© European Union 2025

Rue Belliard/Belliardstraat 101 | 1040 Bruxelles/Brussel | BELGIQUE/BELGIË / Tel. +32 22822211
www.cor.europa.eu / @EU_regions_cities / /european.committee.of.the.regions
/european-committee-of-the-regions / @EU_CoR