

CAPITALIZATION UKRAINE RECOVERY CONFERENCE

Rome 10TH and 11th of July 2025

Local and regional dimension¹

Pre final document

For discussion in Lviv 26th and 27th of November 2025

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Introduction

The Ukraine Recovery Conference 2025 in Rome gave to the local and regional dimension a key role in the whole-society approach that was proposed as a guideline for this first year edition. More than 400 mayors, councilors and regional leaders attend the event with 50 booths dedicated to the fair. More than half of them came from Ukraine. Their participation made clear that the present and the future of Ukraine lies in the local and regional dimension and its capacity to support local communities, in partnership with the European and global partners.

Ukraine's recovery cannot succeed without solid democratic and accountable governance at all levels. And what we have seen, even during the most dramatic moments of the war, is that Ukrainian communities, mayors, and local leaders have not only endured—but led. This is not an abstract debate. What became clear throughout the sessions is that **local self-government has become the very core of Ukraine's resilience and recovery.** It is at the local level that rebuilding has already begun—through underground hospitals, energy protection systems, intermunicipal cooperation, and safe shelters for learning.

The URC 2025 offered therefore an entire section of the event to the questions of local governance. Seven panels were organized with almost 60 speakers and hundreds of participants. It emerged that local governance, integrated and in synergy with private sector and civil society is an essential backbone of the reconstruction.

The present analysis also considers the preparation phase, and particularly the very important conference in Verona in May 2025. It refers to all the topics highlighted in the panels and draw some conclusions for the operational phases and the follow up, highlighting a road map for the future. **The document remains a pre-final document using also the event of capitalization in Lviv, on the 26th and 27th of November 2025, for integrating update elements.**

The present document is highlighting some elements emerged throughout the seven panels and defines the ground for actions and elements for capitalisation of the discussions. All the panels are debriefed at the end of the document, in annexe.

The local and regional dimension benefited a lot from the partnership and constant support of the **European Committee of the Regions** and in particular the work done by the **CIVEX committee** and the Working Group EU/Ukraine, as well as the integral part and long-standing work done by the **Congress of the Local and Regional Authorities** of the Council of Europe, which presented also the rapporteurs' work on the reconstruction of Ukraine. As for Italy and the preparation and the Italian location of conference, the URC 2025 benefited from a tight cooperation with **ANCI – Associazione Nazionale dei Comuni d'Italia** and with **Conferenza delle Regioni e delle Provincie**



Autonome. The programme 2025 followed up on the work done by the URC 2025 and with BMZ team and the **Coalition of Sustainable cities**, as well as the programme **U Lead for Europe**, focusing on the support to hromadas.

A final presentation of the capitalization will be then ready in early 2026 to hand it over to Poland for the organization in 2026.

1. The Ukraine Recovery Conference Series (2022–2024): A Global Framework for a Democratic and Resilient Reconstruction

Since Russia's full-scale invasion in 2022, the Ukraine Recovery Conference (URC) has served as the international community's central mechanism for supporting Ukraine's reconstruction. Building on the legacy of the earlier Ukraine Reform Conferences, the URC shifted its mandate to mobilize financial, technical, and political support for recovery while reinforcing Ukraine's commitment to reform and European integration.

The core **purpose** of the URC series is to ensure that Ukraine's recovery is not only effective and timely but also democratic, inclusive, and transformative. This vision was laid out at the inaugural **URC in Lugano (July 2022)**, where Ukraine and its partners adopted the **Lugano Principles** - a shared framework for recovery centered on Ukrainian ownership, transparency, good governance, rule of law and long-term sustainability.

One year later, the **London URC (June 2023)** moved from principles to delivery. The conference resulted in more than **\$60 billion in pledged support**, including the EU's proposed €50 billion Ukraine Facility and U.S. investments in energy and infrastructure. For the first time, the private sector was formally brought into the recovery framework through the **Ukraine Business Compact**, signed by over 500 global companies.

By **URC 2024 in Berlin**, the process had matured significantly and the importance of **regional and local leadership in Ukraine's recovery** took center stage. The conference introduced a dedicated **"Local and Regional Dimension"**, underscoring that recovery is not only a national policy issue but a deeply territorial process involving municipalities, regional authorities and local communities. As war damage continues to affect cities and villages unevenly across the country, the need to empower subnational actors became increasingly urgent.

The Berlin conference featured robust participation from **Ukrainian mayors, oblast leaders and civil society organizations**, who highlighted their role in frontline recovery: from repairing critical infrastructure to restoring housing, schools and public services. More than **3,000 participants from 60+ countries** attended, with structured dialogues linking local authorities with international partners and donors. These exchanges catalyzed dozens of new **city-to-city partnerships**, where European municipalities committed to technical cooperation, co-financing and long-term twinning with Ukrainian counterparts.

This emphasis builds on Ukraine's prewar **decentralization reform**, widely regarded as one of the country's most successful governance transformations. At URC 2024, Ukrainian officials presented a new **Reform Matrix** with benchmarks for strengthening local public administration, improving fiscal transparency and enhancing citizen participation in planning and monitoring reconstruction.

International stakeholders responded by expanding programs such as **U-LEAD with Europe**, which supports local capacity-building and public service delivery. Meanwhile, digital tools were showcased as mechanisms to improve transparency and enable citizens to track local recovery spending and project progress in real time.

The **regional and local dimension of the URC process has become a defining feature** of Ukraine's recovery approach. While Lugano set the normative framework and London mobilized resources, Berlin brought to light the importance of decentralization and **community-driven recovery**.

2. URC 2025 in Rome: Advancing a Locally-Led, European-Oriented Recovery

URC 2025, hosted in Rome, marked a decisive shift from high-level commitment to operational readiness in Ukraine's recovery.

The conference placed Ukrainian local and regional authorities at the heart of reconstruction efforts - not as implementers of national policy, but as strategic actors shaping Ukraine's democratic and European future from the ground up.

At its core, the action agenda from URC 2025 reinforced **four strategic imperatives**:

1. **Empowering Local Governance and Institutional Capacity**
Building on Ukraine's decentralization reforms, the conference called for deeper legal and operational empowerment of municipalities and hromadas. Local governments are to become core architects of recovery, supported by reforms to clarify roles across levels of government, develop legal frameworks and improve the transparency, ethics and participation standards of local public officials.
2. **Mainstreaming EU Accession into Local Development**
Recognizing that over 70% of EU legislation is implemented at the subnational level, participants stressed that Ukraine's local authorities must be equipped to meet EU standards. Training, access to EU funds, and technical assistance were prioritized to ensure that EU accession is not only a national goal but also a local mission.
3. **Operationalizing Transparency through Digital Governance**
Tools such as the DREAM platform and Prozorro were promoted as key instruments to plan, track and audit local recovery projects. Municipalities were urged to adopt open data practices, establish participatory monitoring mechanisms and strengthen internal audit systems to ensure citizen trust and donor accountability.
4. **Scaling Multilevel Partnerships and Intermunicipal Cooperation**
Rome showcased dozens of new twinning agreements and highlighted the "Shoulder-to-Shoulder" internal cohesion program linking frontline and safer communities in Ukraine. A proposed "one-stop hub" was discussed to match Ukrainian cities with European partners and investors, reducing entry barriers and enabling rapid project deployment.

Importantly, the conference reframed **partnerships not as charity, but as mutual learning**: Ukrainian cities are now recognized globally for crisis management, digital innovation and community resilience.

Looking forward, URC 2025 produced a kind of roadmap for partnership implementation, along with a Development Toolkit of templates, Memorandum of Understanding and monitoring tools to help local authorities translate agreements into action. The ambition is clear: to institutionalize and scale what works, embedding reconstruction in democratic practice and long-term planning.

Above all, URC 2025 reaffirmed that Ukraine's recovery is a **collective European project** — one led by empowered communities, supported by international solidarity and guided by a shared commitment to rebuilding a just, democratic and resilient nation.

3. Reforming Local Self-Government (LSG) in Ukraine: Analysis of National Strategic Documents

Ukraine's local self-government reform is entering a decisive new phase shaped simultaneously by wartime pressures and the country's EU-integration trajectory. National strategic documents outline a complex reform agenda aimed at modernizing the governance system, strengthening multi-level coordination, and ensuring that local authorities play a central role in Ukraine's post-war recovery and long-term European integration.

The updated Concept of Local Self-Government Reform and Territorial Organization of Power serves as the foundation for this reform agenda.

a) Legal and Constitutional Modernization

A core priority is embedding a complete system of multi-level governance in the Constitution and legal framework. This includes:

- **Constitutional amendments** to formally define and protect powers at all levels of LSG and align the system with European standards.
- **Full implementation of the European Charter of Local Self-Government (ECLSG)** to guarantee rights, duties, and autonomy of local authorities.
- **Legal recognition of oblast and rayon council executive bodies**, essential for clarifying separation of state and self-government powers.
- **Clear legal status of Kyiv** within the administrative-territorial system.
- **Harmonization with EU acquis**, ensuring regulatory alignment for EU accession.

b) Territorial Organization and Intermunicipal Cooperation

Documents emphasize refining the territorial structure to meet demographic, security, and development needs. Key elements include:

- Improved **methodology for forming communities and rayons**, prioritizing community-level decision-making.
- Clear definition of **rayon and oblast competences**, especially regarding regional development.
- Strengthening **inter-municipal cooperation (IMC)** and expanding legal and financial tools for cross-community collaboration.
- Prioritizing governance for **large metropolitan areas (agglomerations)** to coordinate economic development, spatial planning, and shared services.

c) Financial Autonomy and Resource Management

Strategic documents point to the need for a stable fiscal environment enabling LSGs to plan and invest effectively:

- Adoption of **predictable tax policy**.
- Expanding **local tax administration powers** (land, property, real estate).
- Improving **transfer systems** with clear rules, timeliness, and predictability.



- Creating fair **fiscal equalization mechanisms**, balancing vertical and horizontal needs.
- Allowing **municipal access to domestic and international capital markets** for investment.
- Clarifying responsibilities over **local natural resources**, granting LSG self-governing control functions.

Respecting the needs of territorial communities, a special attention should be given to the work initiated by the Council of Europe and the Congress in terms of track records of damages and possible compensations.

4. Institutional Capacity and Governance Quality

Ukraine's local institutions face severe strain due to war (mobility, personnel loss, displacement). Reform documents propose:

- Large-scale **professional development systems** for civil servants in finance, planning, governance, and service delivery.
- Establishing a **reserve corps of qualified personnel** for deployment to de-occupied and high-need territories.
- A single central body to coordinate **regional policy, local development, and territorial organization**.
- **Unifying planning documents** and aligning spatial, budgetary, and recovery planning systems.
- Strengthening **digital data systems** through legislation on local statistics, GIS, and DREAM-based project monitoring.

a) Democracy, Participation, and Oversight

Strengthening democratic legitimacy is presented as essential:

- Developing frameworks for **direct democracy**, including referendums and local participatory mechanisms.
- Reforming the **local electoral system** to improve representation.
- Establishing a **single, proportionate oversight mechanism** for legality control, aligned with ECLSG.
- Clarifying **state administration functions**—coordination, legality oversight, and delegated tasks—to enable a future move toward a prefecture model.
- Ensuring **mandatory consultations** between the central government and national LSG associations.

b) Post-War Recovery Governance

A key reform dimension addresses the transition from military to civilian governance:

- Creating a **civilian transition plan** with clear criteria for restoring LSG powers in de-occupied areas.
- Implementing the “**build back better**” principle across recovery sectors (social, economic, environmental, digital, security).
- Applying **differentiated reconstruction models** for territories under occupation, active combat, recently de-occupied, or rear areas.
- Addressing demographic crisis and displacement through **local social and economic policies**, ensuring financing follows displaced citizens.
- **The policies should greatly engage IDPs and veterans and make sure that they find their place both in the society and the economy of Ukraine.**

National strategic documents present a comprehensive roadmap for the next generation of LSG reform. The agenda focuses on legal modernization, territorial restructuring, fiscal autonomy, institutional capacity, democratic participation, and post-war transition mechanisms. Together, these



reforms aim to complete Ukraine's decentralization, strengthen resilience, and align the governance system with European standards — preparing the country for both effective recovery and long-term EU integration.

5. Strengthening Local Funding Readiness and Monitoring Capacity

The success of Ukraine’s recovery depends not only on the availability of funds but on the ability of local governments to access, manage and monitor these funds effectively. Most Ukrainian municipalities, especially small and medium-sized ones, remain under-equipped to navigate complex donor procedures, EU financial rules or multi-source co-financing models. Without improving funding readiness and monitoring systems, the impressive commitments made during URC 2025 risk remaining underutilized.

Approach to capitalization

a) Strengthen “Funding Readiness” at the local level

Funding readiness means the capacity of municipalities and local partnerships to prepare, absorb, and report external financial resources in a transparent and compliant way.

a) Institutional Readiness

- create Local Project Development Units (LPDUs) within municipal structures or Local Democracy Agencies (LDAs). These would act as mini-“grant offices” supporting project pipeline development;
- introduce standardized templates and checklists for concept notes, logical frameworks and risk matrices aligned with EU Facility, Interreg and bilateral programmes;
- promote shared service models through inter-municipal cooperation (IMC): smaller hromadas could jointly employ financial and project experts.

b) Human Capacity and Knowledge

- establish a “**Municipal Funding Academy**” under ALDA/CEI/U-LEAD umbrella - a structured training and mentoring scheme focused on EU funding instruments, budget planning and compliance;
- integrate **peer-to-peer exchanges with European counterparts** experienced in cohesion policy and local project finance (e.g., French AFCCRE, Italy’s ANCI, Poland’s ZMP);
- introduce a **certification system for “EU-compliant municipalities,”** encouraging professionalization of local staff.
- Support the programme of capacity building like **TIPS4 EU of the European Committee** of the Regions as well as the One Stop Shop presented during the **European Partnership Hub**.

c) Financial Planning Tools

- develop multi-year investment planning (MYIP) instruments aligned with the State Strategy for Regional Development and the Ukraine Facility priorities;
- introduce co-funding readiness assessments to evaluate each municipality’s ability to provide its own contribution or attract private capital;
- encourage the creation of municipal revolving funds or guarantee pools at oblast level to facilitate co-financing.

b) Build effective monitoring and evaluation (M&E) systems

Monitoring capacity ensures that recovery projects are transparent, efficient, and accountable which is a key precondition for trust among donors and citizens alike.

a) Digital and Data-Driven Monitoring

- deploy simple, open-source digital dashboards for tracking financial flows, outputs, and results.
- connect local monitoring data to national systems such as Prozorro, Dream or E-Recovery, ensuring interoperability and transparency.
- pilot “Public Recovery Dashboards” showing progress on reconstruction projects at community level, supporting participatory oversight.

b) Institutional Oversight

- establish municipal audit committees or strengthen cooperation with the State Audit Service’s regional offices (as mentioned by Alla Basalaieva at URC);
- train local auditors in EU-compliant verification procedures (procurement checks, performance audits);
- promote cross-audit or “buddy audit” mechanisms between partner municipalities in Ukraine and EU countries.

c) Citizen and Civil Society Engagement

- encourage community monitoring through participatory budgeting and social audit tools;
- provide open data standards for recovery projects so that NGOs and citizens can track progress independently.
- include gender and inclusion indicators in local M&E systems, aligning with EU’s equality and transparency principles.

6. Participatory Budgeting and Regional Calls for Projects in Ukraine: Pathways for Democratic Recovery

Context and State of Affairs

In Ukraine's wartime recovery, **citizen participation** and **transparent decision-making**, notably through Participatory Budgeting (PB) and citizen-led projects, are crucial for rebuilding trust and aligning reconstruction with community needs. Despite the war, many localities continue these mechanisms. The 2025 **Law on Local Democracy** guarantees participation, and the **State Regional Development Fund (SFRD)** may channel up to 10% of resources via citizen voting, making these core post-war governance tools. International partners (EU, Council of Europe, USAID, UNDP, U-LEAD) have significantly supported restarting PB and enhancing transparency since 2023, creating favorable conditions for mainstreaming participatory practices in reconstruction. Challenges remain—including capacity deficits, engagement difficulties due to displacement/security, and budget pressure—but opportunities are strong. Supportive legislation, robust donor interest, and digital platforms (E-Dem, ProZorro, DREAM) facilitate transparent processes. Wartime PB pilots confirm that even simplified processes build trust. The priority is now to systematize and scale these participatory recovery models.

Approach to Capitalization

To transform participatory budgeting and citizen-driven project calls into a structural element of Ukraine's recovery model, international partners should support a coherent capitalization strategy that consolidates learning, develops transferable tools, and embeds participation into long-term governance frameworks.

a) Document and Systematize Practice

- Collect case studies from municipalities that ran PB during the war.
- Identify which formats worked under crisis conditions (simplified cycles, digital voting, micro-grants).
- Create a shared knowledge base to inform national and donor programmes.

b) Develop Replicable Participatory Recovery Models

- Co-create standardized PB procedures aligned with the new Law on Local Democracy.
- Prepare templates for project calls, voting rules, transparency standards, and monitoring.
- Build methodologies adapted to small, rural, and security-affected hromadas.

c) Integrate Participation into Recovery and Funding Instruments

- Ensure PB principles are embedded into SFRD mechanisms, oblast recovery strategies, and Ukraine Facility pipelines.
- Promote participation as a cross-cutting requirement for local project development and monitoring.

d) Strengthen Local Capacity through Training and Digital Tools



- Support large-scale capacity building on PB design, financial transparency, and public communication.
 - Expand the use of donor-supported digital platforms (E-Dem, DREAM, ProZorro) for project submission, voting, and oversight.
 - Encourage community-level monitoring dashboards linked to national systems.
- e) Feed Lessons into Policy Dialogue and Institutional Reform**
- Use consolidated evidence to inform the evolution of national PB legislation and SFRD rules.
 - Facilitate dialogue between local authorities, ministries, donor programmes, and civil society on scaling participatory recovery approaches.

7. Intermunicipal Cooperation (IMC): Strategic Pillars for Resilience and EU Integration

Intermunicipal cooperation (IMC) was a defining pillar of Ukraine's locally-led recovery and EU integration at URC 2025. Discussions confirmed that sustainable reconstruction requires empowered local governments working together, making IMC a strategic pathway to resilience, democratic legitimacy, and alignment with EU governance.

Strategic and EU Imperative: IMC is essential for safeguarding municipalities' democratic energy, allowing neighboring communities (*hromadas*) to pool resources, jointly manage projects, and efficiently address complex challenges (e.g., energy, housing, transport). It fills the "institutional gap," creating the meso-level coordination needed for large-scale investments. Furthermore, with ~70% of the *EU acquis* implemented locally, robust local governance via IMC is a prerequisite for EU accession, mirroring European models like France's *Communautés de communes*.

The partnership were particularly valorised in the **European Partnership Hub**, which kicked off during the event, as a development of the **Bridges of Trust community** lead by the CEMR (Council of European Municipalities and Regions).

URC 2025 showcased successful models:

- **International partnerships** (twinning, region-to-region): e.g., Italy's 21 arrangements, supporting capacity and investment.
- **Internal cohesion "Shoulder-to-Shoulder"**: A unique Ukrainian innovation with over 300 partnerships linking 630+ communities, with safer regions supporting frontline ones.
- **Shared learning:** European partners' willingness to learn from Ukraine's adaptive reconstruction practices (e.g., Kyiv region restoring 75% of damaged facilities).

Conditions for Sustainability: To ensure IMC's success, systemic needs were identified:

- Clear institutional capacity and governance clarity.
- Improved access to finance (international/private investment).
- A structured "one-stop" mechanism for coordination and partnership matching.
- Integration of Building Back Better principles (modern, green, energy-efficient).

Approaches to the capitalization

1. Institutionalizing Cooperation for Strategic Resilience

- **Formalize Governance and Capacity:** Strengthen and formalize cooperation by ensuring a clear division of powers and reinforcing administrative capacity within IMC frameworks. This turns ad-hoc collaboration into a reliable, functional governance layer.
- **Economies of Scale and Efficiency:** Capitalize on the ability of neighboring *hromadas* to pool resources and jointly manage reconstruction projects, coordinate emergency responses, and address complex cross-territorial challenges (e.g., energy, waste management) more efficiently.

- **Filling the Institutional Gap:** Use IMC to create the functional meso-level coordination needed between local and regional authorities for planning and implementing large-scale investments.

2. Aligning IMC with European Integration

- **Prerequisite for EU Accession:** Position IMC as the practical architecture for Ukrainian municipalities to operate in line with European norms (mirroring models like France's *Communautés de communes*). This capitalizes on the national goal of EU membership, as successful accession requires robust local governance.
- **Learning and Reciprocal Innovation:** Capitalize on existing models like the “**Shoulder-to-Shoulder**” internal cohesion program (linking safer and frontline communities) and **international partnerships (twinning)** to facilitate shared learning and adoption of adaptive, fast reconstruction practices.

3. Enabling Sustainable Financing and Coordination

- **Attract and Access Finance:** Develop tools within IMC frameworks to specifically attract international and private investments, especially for high-risk or less visible municipalities.
- **Create a “One-Stop” Partnership Hub:** Establish a structured mechanism to facilitate the matching of Ukrainian cities with European partners and investors, reducing barriers to entry and accelerating project deployment.
- **Enforce Building Back Better Principles:** Ensure IMC is the vehicle for realizing modernization and sustainability goals, driving reconstruction that is modern, green, energy-efficient, and inclusive.

8. Ukraine's Agglomeration Reform: Catalyzing Recovery, Competitiveness and EU Integration

Ukraine is advancing into a new phase of intermunicipal cooperation focused on forming urban agglomerations (functional metropolitan areas) built around major cities. This momentum is driven by practical needs related to recovery, economic vitality, and coordinated spatial planning, even though a dedicated Agglomeration Law is still pending.

Key developments include the drafting of relevant legislation, the launch of early models like the Lviv Agglomeration Association in 2024, and shared challenges in transport, waste, and investment planning that compel cooperation.

For local self-government, agglomerations offer benefits such as joint implementation of large projects, increased capacity to attract funding and investment, coordinated planning, and a stronger national voice. The main challenges involve designing fair governance and financing models while balancing the power dynamics between large cities and smaller hromadas. Agglomerations are increasingly seen as vital for post-war reconstruction, regional competitiveness, and integration with EU governance practices.

Approach to Capitalization

To turn the emerging agglomeration agenda into sustainable practice, **international partners** should support a coherent capitalization process—capturing lessons, building models, and scaling successful approaches nationwide.

a. Document and systematize emerging practice

- Support collection of case studies and cross-border metropolitan initiatives
- Capture governance models, financial mechanisms, shared services, and barriers
- Build a concise knowledge base for national-scale replication.

b. Develop transferable agglomeration models

- Co-create model statutes, cost-sharing formulas, metropolitan investment plans, and IMC procedures.
- Prepare practical toolkits on joint spatial planning, mobility, waste management, and environmental recovery.

c. Embed metropolitan governance into national and recovery frameworks

- Advocate for integrating agglomerations into Ukraine Facility priorities, regional strategies, and reconstruction pipelines.
- Promote citizen participation and transparency as core criteria for metropolitan governance.

d. Strengthen capacity through European peer exchange

- Facilitate partnerships with EU metropolitan regions (e.g., Poland, France, Italy).
- Offer training on multi-level governance, project preparation, and metropolitan planning.

e. Support policy dialogue and legal finalization

- Share European experiences to inform the Agglomeration Law and IMC reforms.
- Provide expertise to design incentive schemes for municipalities willing to form agglomerations.

9. Youth Engagement: Capitalizing Local Initiatives for Democratic Resilience and Policy Integration

Approach to Capitalization

To ensure that youth engagement becomes a structural component of Ukraine's democratic recovery, international partners should adopt a targeted capitalization approach, turning dispersed local initiatives into transferable, scalable and policy-relevant models. Capitalization, in this sense, means systematically gathering practical experience, extracting lessons and reintegrating them into future programmes, partnerships and national frameworks.

1. Promising local initiatives, such as psychosocial camps for displaced children or emerging Youth Civic Labs focusing on planning, environmental recovery or digital participation, should be transformed into **replicable models**. This may involve developing step-by-step guidelines, modular training materials and digital toolkits that municipalities or youth organisations across Ukraine can easily adopt.
2. Capitalization efforts should help **embed youth participation into broader recovery and governance frameworks**, rather than treating it as an isolated sector. International partners can promote youth as a cross-cutting criterion within local development strategies, funding readiness programmes and project pipelines. This includes integrating youth-led monitoring into digital transparency tools and ensuring that young people participate in local planning, oversight, and innovation.
3. International partners can scale successful models through **regional and European networks**—linking Ukrainian youth groups and municipalities with peers across Europe, facilitating exchanges, and strengthening cross-border partnerships. Events such as the Post-URC Forum in Lviv can serve as strategic platforms to consolidate learning and establish youth engagement as a consistent element of new partnerships.
4. Consolidated lessons should feed back into **international programming and policy dialogue**, including exchanges with the Ministry for Communities, CoE bodies, and donor institutions. This ensures that youth engagement is recognized as a driver of democratic resilience, positioning young Ukrainians not only as beneficiaries of support but as co-creators of a modern, participatory, and inclusive future.

10. Programme of the local and regional dimension 2025

Panel 1 “Ukrainian Communities as a Global Symbol of Resilience and Unity. Community Recovery and Development”

Roberto Calderoli, Minister for Regional Affairs and Autonomies, Italy

Oleksii Kuleba, Deputy Prime Minister for Restoration of Ukraine – Minister for Communities and Territories Development of Ukraine

Raffaele Fitto, EU Commission Executive Vice-President for Cohesion and Reforms

Reem Alabali-Radovan, German Minister of Economic Cooperation and Development
[View Bio](#)

Elsebeth Sondergaard Krone, Danish State Secretary for Development Policy

Kata Tüttö, President of the European Committee of the Regions

Alberto Cirio, President of the Piedmont Region

Marc Cools, President of the Congress of Local and Regional Authorities of the Council of Europe

Rehina Karchenko, Acting Mayor of Zaporizhzhia, Ukraine

Carlo Monticelli, Governor of the Council of Europe Development Bank (CEB)

Moderator: **Bastian Veigel**, Programme Director of U-LEAD with Europe | [View Bio](#)

Panel 2 “A Comprehensive Recovery Approach: Common Points for Business and Government to Ensure the Reconstruction of Communities”

Alona Shkrum, First Deputy Minister for Development of Communities and Territories of Ukraine

Olga Zykova, Deputy Minister of Finance of Ukraine

Ivan Fedorov, Head of Zaporizhzhia Oblast Military Administration, Ukraine

Antonella Bassani, Vice President, World Bank

Matteo Rivellini, Head of Division, European Investment Bank (EIB)

Murat Kurum, Minister of Environment, Urbanisation and Climate Change of Türkiye

Pierre Heilbronn, France’s Special Envoy for Ukraine’s Relief and Reconstruction

Marco Marsilio, President of the Abruzzo Region

Raffaele Cattaneo, Undersecretary for International Relations, Lombardy Region

Moderator: **Vladyslav Rashkovan**, IMF Alternative Executive Director

Panel 3 “A Path to Modern, Safe and Sustainable Cities”

Edmondo Cirielli, Deputy Minister of Foreign Affairs and International Cooperation, Italy

Dell Loy Hansen, Founder and CEO, Wasatch Group

Anacláudia Rossbach, UN Under-Secretary-General Executive Director, UN-Habitat

Oleksii Kuleba, Deputy Prime Minister for Restoration of Ukraine – Minister for Communities and Territories Development of Ukraine

Oleh Kiper, Head of Odesa Regional State Administration, Ukraine

Halyna Hryhorenko, First Deputy Minister of Culture and Strategic Communications of Ukraine

Ihor Terekhov, Mayor of Kharkiv, Ukraine

Vlaho Kojakovic, Director, Property and Tourism, EBRD

Tatiana Molcean, Executive Secretary of the United Nations Economic Commission for Europe (UNECE)

Michele Ziosi, Chief Global Affairs & Sustainability Officer, Iveco Group

Moderator: **Prof. Benno Albrecht**, Rettore IUAV (ITA)

Panel 4 “The Road to Recovery: Modern Infrastructure”

Edoardo Rixi, Deputy Minister of Infrastructure and Transport, Italy

Serhii Sukholmyn, Head of the State Agency for the Restoration and Development of Infrastructure (SARDI)

Maja Bakran Marcich, Deputy Director General, DG MOVE

Kjetil Tønning, Honorary President, European Construction Industry Federation (FIEC)

View Bio

Stefano Donnarumma, CEO, Ferrovie dello Stato Italiane

Vito Pertosa, President, Mermec Group

Pierfrancesco Latini, Chief Risk Officer and Chief International Officer, ACEA Spa

Ines Rocha, IFC Regional Director for Europe

Arvid Tuerkner, EBRD Managing Director, Ukraine and Moldova

Moderator: **Alfredo Ingletti**, Vice-President Italian engineering, architectural and technical economic consulting organizations (OICE)

Panel 5 “United Communities and Regions: Effective Governance for Ukraine’s Recovery”

Stefano Lo Russo, Mayor of Turin, Italy

Oleksii Riabykin, Ukrainian Deputy Minister for Development of Communities and Territories

Vitalii Bezghin, Chairman of the Committee on State Building, Verkhovna Rada

Mathieu Mori, Secretary General of the Congress of Local and Regional Authorities of the Council of Europe

Oleksandr Prokudin, Head of Kherson Regional Military Administration

Sergii Mazur, Mayor of Balta, Ukraine

Haoliang Xu, Acting Administrator, UNDP

Stefan Schleuning, Head of Cooperation at the EU Delegation to Ukraine

Alla Basalaieva, Head of the State Audit Service of Ukraine

Moderator: **Antonella Valmorbida**, Secretary General of ALDA – European Association for Local Democracy

Panel 6 “Transparency and Accountability in Reconstruction: Tools for the Effective Recovery of Ukraine”

Giuseppe Busia, President of the Italian Anticorruption Authority (ANAC)

Maryna Denysiuk, Deputy Minister for Development of Communities and Territories of Ukraine

Stephen Doughty, UK Minister of State for Europe, North America and Overseas Territories

Levan Duchidze, IDLO Country Manager for Ukraine

Victor Maziarchuk, Chairman of the Fiscal Policy Research Center

Viktor Nestulia, Head of DREAM Project Office

Robert O’Donovan, Senior Vice President, Eurasia Foundation

Jaco Cilliers, Resident Representative of the United Nations Development Programme (UNDP) in Ukraine

Moderator: **Allan Pagh Kristensen**, Head of the EU Anti-Corruption Initiative | View Bio

Panel 7 “Resilience and cohesion through partnerships: Local and International Cooperation”

Oleksii Kuleba, Deputy Prime Minister for Restoration of Ukraine – Minister for Communities and Territories Development of Ukraine

Antje Grotheer, President of the Bremen State Parliament

André Sobczak, Secretary General, Eurocities

Katherina Yamshchykova, Acting Mayor of Poltava, Ukraine

Andrii Beseidin, Head of Kupiansk City Military Administration

Vito Leccese, Mayor of Bari, Italy

Jakob Granit, Director General, SIDA

Franco Dal Mas, Secretary General, Central European Initiative (CEI)

Moderator: **Svitlana Blinova**, Cities 4 Cities

11. Minutes of the URC 2025 Panels on local and regional dimension

11.1 Panel 1 “Ukrainian Communities as a Global Symbol of Resilience and Unity. Community Recovery and Development”

Introduction: Setting the Strategic Context for Localized Recovery

This opening session of the Ukraine Recovery Conference (URC) 2025 marks a pivotal strategic focus on the local and regional dimension of Ukraine's reconstruction. This focus reframes municipal empowerment from a component of recovery to its foundational principle—essential for building national resilience, ensuring democratic accountability, and anchoring the country's reconstruction within European institutional norms.

The session, moderated by Bastian Veigel, Program Director of U-LEAD with Europe, was designed to build upon previous commitments and outline a concrete path forward. The moderator established the session's key objectives with the following points:

- **Strategic Continuity:** The session serves as a direct follow-up to the intensive discussions at URC 2024 and is linked to the "Berlin call to action" to substantially increase the number of municipal partnerships with Ukraine.
- **Primary Goal:** To showcase the strategic vision, tools, and actions of the Ukrainian government and its international partners in empowering municipalities and the broader subnational level in the recovery process.

This introduction set the stage for a series of powerful keynote addresses from the governments of Italy and Ukraine, and the European Commission, each offering a distinct yet convergent perspective on a community-driven future.

Italy's Perspective: Empowering Territories as the Foundation of Democratic Recovery

Minister for Regional Affairs and Autonomies, Roberto Calderoli, delivered a compelling address that positioned the empowerment of Ukraine's local and territorial entities as the fundamental prerequisite for a successful and democratic recovery. Drawing parallels with Italy's own constitutional framework and administrative experience, his speech framed a robust multi-level governance system as the most effective engine for reconstruction and societal growth.

The Centrality of the Local Dimension

Minister Calderoli's central argument was that the "local dimension" is not just a contributing element but a "determining factor for the successful outcome" of the recovery. He grounded this assertion in core democratic principles, referencing Article 114 of the Italian constitution, which defines the Republic as being composed of municipalities, provinces, metropolitan cities, regions, and the state. This constitutional reference served to elevate the role of local government from a matter of administrative efficiency to a principle of democratic legitimacy.

The Italian Model of Multi-Level Governance

The Minister framed the role of regions and territorial entities as irreplaceable, highlighting two key attributes: proximity and concreteness.

- **Proximity and Concreteness:** Local entities, due to their closeness to citizens and businesses, are uniquely positioned to channel human and economic energy and address "real problems" with a "concreteness" that higher political levels sometimes lack.
- **Collaborative Framework:** He detailed Italy's model of "fair collaboration," which operates through "conferences" where central and territorial governments debate and decide on shared legislative and administrative matters. He offered the Italian civil protection system as a prime example of successful, integrated emergency management built on cooperation, solidarity, and resilience—a model with clear relevance for Ukraine's need to institutionalize a multi-level, coordinated response to both military and civil emergencies.

Italy's Concrete Support and Partnerships

Minister Calderoli emphasized that Italy's stance of "full and multi-dimensional support" for Ukraine's integrity, sovereignty, and independence is being translated into tangible action through extensive twinning programs. He presented these agreements not as bureaucratic formalities but as "concrete proof of the active role played by regions and municipalities."

Partnership Example	Details & Significance
Lombardy & Zaporizhzhia	A memorandum was signed to reinforce and reconstruct destroyed infrastructure, directly anticipating the conference's objective.
Total Twinning Programs	21 programs have been established since 2017, with 20 of them initiated after the full-scale Russian invasion.
Signed Agreements	Of the 20 post-invasion agreements, 14 have been formally signed, with 6 more to be signed shortly after the conference.
Notable Regions	Lombardy, Tuscany, Veneto, and Friuli Venezia Giulia were mentioned as regions with active agreements with Ukrainian oblasts.

Concluding Vision and Transition

The Minister concluded his remarks with a sincere and powerful wish, hoping that "out of this cloud a clear sky will emerge for Ukraine." His speech provided a robust framework for understanding recovery as a process deeply rooted in democratic, decentralized governance, setting the stage for the Ukrainian government's own perspective, which would ground these principles in the stark realities of the frontline.

Ukraine's Reality and Vision: Rebuilding from the Ground Up Amidst Conflict

Deputy Prime Minister Oleksiy Kuleba provided a direct and unvarnished perspective from the Ukrainian government, powerfully juxtaposing the grim calculus of wartime destruction with a clear-eyed strategy for a decentralized, community-led recovery. His address was a testament to Ukraine's determination to not only survive but to rebuild better, even as the conflict rages on.

The Human Cost and Scale of Destruction

To ground the discussion in the daily reality of the war, the Deputy Prime Minister shared a harrowing anecdote about a film crew in the Odesa port. Just ten minutes after they left, a shelling attack killed two port employees. "That's our reality," he stated, bringing an immediate human dimension to the statistics. This anecdote powerfully illustrates the extreme operational risk inherent in all reconstruction efforts, demanding that resilience and civil defense be integrated into every recovery project from its inception. He then outlined the immense scale of the damage with several key metrics:

1. **Facilities Damaged/Destroyed:** Over 300,000 sites have been damaged or destroyed, with the number growing daily.
2. **Residential Buildings Destroyed:** 2,000 multi-story buildings have been completely destroyed, part of a total of 200,000 homes damaged or lost.
3. **Road Infrastructure:** Over 1,000 kilometers of roads have been destroyed.

These metrics reveal a recovery challenge that is not merely infrastructural but deeply civilian-centric, directly impacting Ukraine's human capital and social fabric.

A Strategy for Differentiated and Community-Led Recovery

Mr. Kuleba detailed a recovery doctrine that is both tailored and decentralized.

- **Prioritizing the Front Line:** Acknowledging that **70%** of all destroyed sites are located in frontline communities, the government has made these areas a strategic priority. The recovery, he explained, must be differentiated, as conditions in these regions are drastically different from those elsewhere.
- **Economic Incentives:** To attract investment where it is needed most, the government is creating "special conditions" for businesses willing to invest in frontline regions. The goal is to ensure their payback is "times and times faster," making it a viable proposition for both Ukrainian and international businesses.
- **The Core Philosophy:** The ministry's guiding principle is fundamentally decentralized. As Mr. Koula stated, **"the change has to happen not in the ministry but within communities because they are the ones who know what they need."** This vision places local knowledge and agency at the very heart of the reconstruction process.

Evidence of Progress and Resilience

Despite the ongoing conflict, the presentation highlighted tangible evidence of successful reconstruction. A key example was the Kyiv region, which was among the first to be occupied and de-occupied. There, an incredible **75%** of the 3,000 facilities that were damaged have already been rebuilt. As a powerful symbol of this spirit, he introduced the "Art of Hope" lamp—an art installation crafted from the recycled debris of destroyed Ukrainian homes, representing new life growing from devastation and a nation determined to heal.

Mr. Koula's address delivered a powerful message of a nation that is not waiting for the war to end to begin its recovery. It was a call for partnership based on a proven track record of resilience and a clear, locally-driven strategy for the future.

The European Union's Commitment: Integrating Local Governance into the Path to Accession

Executive Vice President Raffaele Fitto of the European Commission delivered a strategic response that firmly anchored Ukraine's local recovery within the framework of its European Union accession. His address made it clear that decentralization is not just a matter of good governance but a fundamental prerequisite for EU integration, and he outlined the concrete financial and institutional support mechanisms the EU is deploying to support this process.

Decentralization as a Prerequisite for EU Integration

The core of Mr. Fitto's argument rested on a critical, yet often overlooked, aspect of EU governance.

- **The 70% Rule:** He emphasized the statistic that **70% of EU legislation is implemented at the local and regional level.**
- **Strategic Implication:** The direct implication of this rule is that the enlargement process can only succeed with "active, engaged, and empowered" local and regional actors. He stated unequivocally that any candidate country must "fully involve subnational authorities in its accession track." This links

Ukraine's administrative capacity at the municipal level directly to its national strategic goal of joining the EU.

EU Financial Instruments and Programs for Local Empowerment

Mr. Fitto detailed a comprehensive suite of EU financial instruments and programs designed to build this essential local capacity and foster integration. These mechanisms provide a clear roadmap for how the EU intends to support Ukraine's municipalities directly:

- **Ukraine Facility:** Provides support for local authorities across all three of its pillars.
- **Interreg Cooperation Programs:** Ukraine is now fully integrated into seven Interreg programs, totaling **€1.2 billion**, aimed at supporting economic, social, and territorial cohesion.
- **Poland-Ukraine Cross-border Program:** Specific investments include **€30 million** (ongoing) for environmental protection, health, and water management, with an additional **€53 million** planned for road and rail infrastructure.
- **Urbact 4 Program:** For the first time, this program for the exchange of good practices has been opened to Ukraine.
- **Dedicated Capacity Building Initiative:** A new initiative for Ukrainian cities is planned for launch by the end of the year to further strengthen their administrative capabilities.
- **Cohesion Policy & Pact for EU's Eastern Border:** Proposals are in place to direct more resources to EU regions bordering Ukraine, complemented by a new pact to address their specific challenges.

Mr. Fitto concluded with the overarching goal of bringing Ukraine and its municipalities "back where you belong at the heart of our European family." His speech provided a clear and structured outline of the EU's commitment, demonstrating that support for local governance is a central pillar of its strategy for Ukraine's recovery and integration.

Synthesis and Conclusion: Converging Visions for a Resilient, Community-Driven Future

The opening session of the conference presented a powerful and unified message from Italy, Ukraine, and the European Union. Despite their different institutional perspectives, all three keynote speakers converged on a single, fundamental principle: empowering Ukraine's municipalities and regions is not merely a component of recovery, but is the essential foundation for a resilient, democratic, and European future. The discussion moved beyond abstract principles to outline concrete strategies, financial commitments, and a shared vision for a reconstruction process that is built from the ground up.

The session yielded several critical takeaways that will undoubtedly shape the future of Ukraine's recovery and integration efforts:

1. **Local Governance is National Security.** The empowerment of local communities through decentralization reforms has proven to be a critical element of Ukraine's defense and resilience. The ability of mayors and local councils to manage defenses, demand resources, and maintain services under extreme duress has been a key factor in the nation's ability to withstand the invasion.
2. **Recovery Must Be Differentiated and Community-Led.** A one-size-fits-all approach to reconstruction is insufficient. Recovery strategies must be tailored to the specific needs and realities of different regions, with a clear priority on frontline areas that have borne the brunt of the destruction. The core principle is that communities themselves are best positioned to identify their needs and lead their own recovery.

3. **European Integration is a Local Process.** Ukraine's path to the European Union is inextricably linked to its capacity to implement reforms and manage funds at the municipal and regional levels. With 70% of EU legislation enacted locally, strengthening subnational governance is not an optional extra but a prerequisite for successful accession—a process the EU is actively supporting with a robust array of dedicated financial and technical instruments.

11.2 Panel 2: Balancing Centralization, Local Action, and Funding in Ukraine's Wartime Recovery

Introduction: The Core Dilemma of Ukraine's Reconstruction

The panel discussion, moderated by Vladyslav Rashkovan, was framed around a central and formidable challenge confronting Ukraine: how to balance the wartime necessity for centralized decision-making with the inherently local nature of community reconstruction, all while securing the immense funding required for the task. This dialogue is of strategic importance, as its outcomes will directly inform a coherent and effective recovery strategy. This dialogue, therefore, is not merely a discussion of logistics but the live forging of a new doctrine for national recovery amidst sustained, high-intensity conflict. The panelists explored this complex dynamic, seeking a viable path forward that empowers local actors without sacrificing the coordination required during an ongoing war. The dialogue began with an overview of the Ukrainian government's strategic vision for navigating this dilemma.

The Ukrainian Government's Strategy: A Two-Pronged Approach

This section outlines the strategic vision and financial realities presented by officials from Ukraine's central government. Their approach is focused on demonstrating tangible, rapid results to build confidence and momentum, while simultaneously constructing a robust financial and institutional framework to attract long-term investment and ensure alignment with European Union integration goals.

Ministry of Restoration's Priorities and Progress

Alona Shkrum, First Deputy Minister for Development, emphasized a strategy built on visible progress and a commitment to modern, community-driven rebuilding. Her key messages included:

- **Tangible Results:** The Ministry showcased the successful reconstruction of **more than 75% of everything destroyed** in the Kyiv region, an area that was under occupation. This achievement was highlighted as proof of what is possible when working "together with friends" and serves as a powerful model for future efforts.
- **Strategic Priorities:** Two core priorities guide the Ministry's work:
 1. **Fast, Modern Recovery:** The goal is not merely to replace what was lost but to rebuild "**better, newer, and faster**" using green technologies and principles of energy efficiency. This explicitly rejects the replication of outdated Soviet-era designs in favor of creating modern, resilient urban spaces.
 2. **Private Sector Involvement:** Acknowledging the limits of public funds, the government is focused on attracting private business investment. This involves creating "**special conditions**" to incentivize companies to take on the higher risks associated with operating in frontline regions like Zaporizhzhia.
- **Governance Philosophy:** The Ministry is firmly committed to a "**bottom-up**" approach. As stated by the Deputy Minister, the central government "cannot do it without the regions" and their unique strategic visions, underscoring the indispensable role of local communities in planning and executing their own recovery.

The Financial Framework and Reliance on Partnerships

Olga Zykova, Deputy Minister of Finance, provided a candid analysis of the financial landscape, explaining how Ukraine's funding strategy has necessarily evolved during the war.

- The initial phase of "**funding to survive**" has transitioned to a more strategic approach of securing "**funding tied to the reforms and to the EU integration.**" This shift aligns reconstruction with the country's long-term geopolitical objectives.

- International Financial Institutions (IFIs) and Development Finance Institutions (DFIs) are critical partners. The government is working creatively with these bodies, leveraging new instruments such as the World Bank's PEACE project, which mobilizes donor funds for direct budgetary support.
- The Deputy Minister articulated the core financial challenge: the state budget will "**never be enough**" to cover the costs of reconstruction. This reality makes the local and regional dimension the "**cornerstone of the fight**," as mobilizing local resources and attracting direct investment to communities is essential.
- In this context, she posed a direct question to the World Bank, asking how traditional safeguards and risk assessment policies can be adapted to the "**urgency of recovery**," highlighting the need for institutional flexibility in the face of wartime imperatives.

This central government framework, balancing long-term vision with fiscal constraints, was immediately put to the test by the stark, urgent realities presented from a region on the front line of the war.

A Reality Check from the Frontline: The Imperative for Immediate Action

This section presents the critical, on-the-ground counterpoint to high-level strategy, articulated by Ivan Fedorov, Head of the Zaporizhzhia Oblast Military Administration. His intervention served as a powerful "reality check," grounding the discussion in the urgent needs of a population living and working just kilometers from active combat.

The Urgency of "Reconstruction is Now"

Ivan Fedorov's core argument was a direct rebuttal to the notion that reconstruction can wait for peace. He asserted that recovery must happen immediately—"reconstruction is now"—to sustain communities and maintain hope. To underscore the daily reality of his region, he provided a series of stark statistics:

- **72%** of the Zaporizhzhia region remains under occupation.
- **800,000** citizens reside on the government-controlled side.
- Residents live just **25-30 kilometers** from the front line.
- The region endures an average of **~500 Russian shootings per day**.

A Pragmatic Framework for Wartime Recovery

Based on this reality, Fedorov outlined a pragmatic, three-pillar model for immediate, effective wartime recovery:

1. **Immediate Repair:** He shared the success of repairing over 1,800 buildings in under three months following a wave of attacks. This rapid response enabled 90% of affected residents to return to their homes, demonstrating a viable model for immediate action focused on essential repairs like windows and roofs.
2. **Housing for IDPs:** For internally displaced persons (IDPs) who have lost their homes entirely, he argued against large-scale government construction projects. Instead, he proposed providing IDPs with direct financial aid, such as certificates or money, empowering them to enter the private housing market. He contended that the private sector can build new housing "**more quicker and cheaper**" than the state.
3. **Support for Business:** He stressed the critical need for special rules and financial mechanisms to help frontline businesses recover. These businesses are not just economic entities; they are the source of essential workplaces, salaries, and tax revenues that sustain the local community and the national war effort.

Fedorov's pragmatic demands for immediate, flexible support directly underscored the critical importance of the international financial architecture's ability to adapt and deliver.

The International Financial and Coordination Architecture

This section examines the roles, instruments, and coordination mechanisms of the key international financial institutions and partners that form the backbone of support for Ukraine's recovery.

The Role and Response of Multilateral Development Banks

The World Bank and the European Investment Bank (EIB) outlined their distinct but complementary approaches to supporting Ukraine's multifaceted needs.

Institution	Key Contributions and Approach
The World Bank	Mobilized over \$81 billion for Ukraine, focusing on a demand-led, people-centered approach . It has identified the #1 issue for economic recovery as a labor shortage . The Bank stressed the non-negotiable need for accountability and transparency in all projects. In response to the Ministry of Finance, the representative affirmed that while the bank maintains its high standards, it has learned to be more responsive and flexible to meet Ukraine's wartime circumstances.
European Investment Bank (EIB)	Committed €3.6 billion since the full-scale invasion, with a strategy centered on working closely with local authorities (Hromadas, Oblasts). The EIB positions itself as "the bank that is accompanying" Ukraine's EU accession process, prioritizing strategic projects that enhance connectivity with Europe in the transport, energy, and digital sectors.

The Challenge of Donor Coordination

Pierre Heilbronn, France's Special Envoy, provided an analysis of the donor coordination platform.

- He described the current model as **"nimble and light,"** intentionally designed to give Ukraine a core role in assessing needs and directing support.
- However, he identified a significant challenge in the evolving donor landscape. The European Union and its member states now provide **84%** of external financing to Ukraine. This shift suggests that the G7-based coordination platform must evolve to accurately reflect this new reality and ensure the EU's central role in financial discussions.

From the high-level financial framework, the panel turned to practical lessons and experiences shared by international peers in reconstruction and regional development.

International Peer Experience: Lessons in Reconstruction and Partnership

This section distills practical wisdom from the experiences of Turkey and various Italian regions, offering valuable models for managing large-scale reconstruction, fostering local development, and building effective partnerships.

Turkey's Model for Rapid Post-Disaster Rebuilding

Murat Kurum, Turkey's Minister of Environment, shared insights from the country's massive response to the devastating 2023 earthquake. The key elements of Turkey's success were:

- **Speed:** Foundations for the first new housing units were laid on day 15 after the disaster.
- **Scale:** At its peak, the rebuilding effort constructed an average of 550 houses per day.
- **A Holistic Approach:** The planning process integrated expert input from engineers and architects while considering local climate conditions and community needs to ensure the new buildings were modern and energy-efficient.

- Minister Kurum extended a direct offer to share Turkey's knowledge and experience, emphasizing the urgency to "**start working on it today.**"

Italian Regional Governance and the Power of Partnership

The presidents of the Abruzzo and Lombardi regions in Italy, Marco Marsilio and Raffaele Cattaneo, offered powerful lessons on governance and the central role of local partnerships.

- From Marco Marsilio's experience with earthquake recovery in Abruzzo, several key lessons emerged:
 - The need for a **combined vertical (top-down) and horizontal (bottom-up) approach** to manage complex reconstruction.
 - The critical importance of securing community buy-in and fostering a "**sense of unity**" around the reconstruction project.
 - The necessity of building **administrative and technical capacity** at the local level, as financial resources alone are insufficient to ensure success.
- From Raffaele Cattaneo's experience developing a partnership between Lombardi and Zaporizhzhia, he emphasized:
 - **The primacy of personal relationships:** He noted that the partnership began with direct contact, leading to a point where "**Zaporizhzhia is a place of friend.**" These personal ties foster concrete, rapid, and trust-based cooperation.
 - **Recovery as a bottom-up process:** True recovery and development are impossible without the deep engagement of "**civil society, business community, companies, [and] social bodies.**"
 - **The role of public administration:** The primary task of government is "**to open the doors to the private sector**" and treat businesses and civil society not as mere beneficiaries, but as co-actors and co-planners in the development process.

Conclusion: Key Syntheses and Forward-Looking Challenges

The panel discussion provided a comprehensive and multi-layered perspective on the complexities of Ukraine's recovery. A clear consensus emerged on several foundational principles.

First, the need for radical transparency and accountability is non-negotiable for maintaining domestic and international trust.

Second, a bottom-up approach that empowers local communities and regions is not just preferable but essential for a sustainable and legitimate reconstruction.

Finally, there was unanimous agreement that reconstruction cannot be postponed; it is an immediate imperative that must proceed even amidst the ongoing conflict.

Despite this consensus, the panel also highlighted the immense forward-looking challenges: securing sufficient, flexible, and rapidly disbursable financing; building the administrative and technical capacity of local governments to manage complex projects; and effectively coordinating the vast and diverse array of international partners, national agencies, and local actors to ensure a unified and impactful recovery effort.

Ultimately, the panel articulated the core tenets of a nascent but powerful model where immediate, localized action and long-term strategic alignment are not contradictory but mutually reinforcing elements of national resilience.

11.3 Panel 3: A Path to Modern, Safe, and Sustainable Cities

Convened within the 2025 Ukraine Recovery Conference, Panel 3.3 gathered a diverse cohort of Ukrainian officials, international partners, and private sector leaders to define a path toward rebuilding Ukraine's urban centers. The discussion moved beyond simple restoration, focusing on a transformative vision for cities that are modern, safe, and sustainable. With over 300,000 sites and facilities damaged or destroyed, the scale of the task is monumental. This report provides an analytical synthesis of the national policies, international commitments, frontline challenges, and multi-stakeholder support systems presented, which collectively aim to turn the tragedy of war into an opportunity for profound urban renewal.

National Strategies and International Commitments

The panel affirmed that a successful urban recovery must be anchored in a clear, high-level strategic framework supported by concrete international commitments. This top-down vision is essential for guiding the complex, multi-faceted reconstruction efforts on the ground, ensuring that national priorities are harmonized with local needs and that resources are channeled effectively. The presentations from Ukrainian and Italian officials underscored a shared commitment to a recovery that is not just about rebuilding structures, but about reinforcing national resilience and identity.

Ukraine's People-Centric Recovery Policy

The Deputy Minister for Development of Communities and Territories of Ukraine articulated a national recovery policy fundamentally centered on the well-being and security of its citizens. The strategy is a nuanced approach that adapts to the diverse needs across the country, with a clear emphasis on ensuring that life can continue and thrive even under the duress of war.

- **Prioritization of Frontline Territories:** The government is directing maximum attention and resources to communities in the nearest proximity to hostilities. This involves providing basic services like hospitals and schools while creating special business incentives to attract investment and create jobs in these high-risk areas.
- **"Shoulder-to-Shoulder" Initiative:** This national cohesion project links communities from safer regions with those on the frontline, fostering internal solidarity through over 300 active partnerships. The initiative facilitates direct support, from rebuilding schools to organizing youth events, strengthening the nation's social fabric.
- **Adapting Decentralization Reform:** Acknowledging decentralization as a cornerstone of national resilience since 2014, the government is committed to adapting—not abandoning—this reform to meet wartime realities. This involves refining institutional and territorial models to ensure local governments remain empowered and effective.
- **A New National Housing Strategy:** A new framework law has established a housing policy focused on creating high-quality, long-term rental properties. This model, informed by European experiences, prioritizes essential professionals like academics and healthcare workers. This national policy is being complemented on the ground by innovative philanthropic models, such as the "Housing for All" initiative, which directly address the affordability gap for the most vulnerable citizens.
- **National Security as a Recovery Economy Pillar:** The concept of recovery has been expanded to include national security. Direct investment in air defense systems and domestic drone production is framed as a critical component of the "recovery economy," creating new jobs and protecting both citizens and infrastructure.

- **Digital Tools for Transparency:** Foundational to the entire recovery effort is a commitment to accountability through digital platforms. Systems like **DREAM** for project management and **ProZorro** for procurement are designed to ensure complete transparency, building trust with citizens, investors, and international partners.

Italy's "Build Back Better" Partnership

The Italian Deputy Minister of Foreign Affairs reaffirmed Italy's commitment to the "Build Back Better" principle, outlining a multi-dimensional strategy centered on its patronage of Odesa. This partnership extends beyond financial aid to include the transfer of deep expertise in cultural preservation and urban planning.

1. **Cultural Heritage Restoration:** A cornerstone of the partnership is a significant financial agreement of **€32 million** dedicated to the restoration of Odesa's most important cultural and architectural landmarks, many of which are part of a UNESCO World Heritage site.
2. **Culture as an Economic Driver:** Italy is leveraging its experience in the cultural sector through agreements totaling **€2 million**. These aim to promote culture as a source of employment and economic vitality, engaging prominent Italian institutions such as the Maxi museum and the Milan Triennale.
3. **Urban Planning and Design:** Initiatives are in place to support the strategic urban planning of spaces damaged by the conflict, drawing on Italian excellence in architecture and design to create resilient and functional urban environments.

Italy's strategy is further reinforced by its proactive formation of financial partnerships with institutions like the EBRD and its membership in the Coalition for Sustainable Municipalities. This approach is complemented by broader environmental commitments, including a project providing over €2 million for green solutions in Ukrainian cities.

While these national frameworks provide essential top-down guidance, their ultimate efficacy is tested on the ground, where municipal leaders are translating strategic intent into operational reality amidst active conflict.

Voices from the Frontline: Resilience and Reconstruction Under Fire

An analysis of on-the-ground realities reveals that Ukraine's frontline cities are not passive recipients of aid but are active agents of their own recovery, demonstrating extraordinary resilience by innovating and rebuilding amidst constant attack. Their testimonies underscore a dual imperative: to ensure immediate survival and service delivery while simultaneously laying the groundwork for a more prosperous and secure future.

Odesa: A Strategic Hub of Logistics and Culture

Governor Oleh Kipper highlighted the Odesa region's dual strategic importance as a critical economic lifeline for Ukraine and a bastion of cultural identity. Despite facing continuous attacks, the region has demonstrated remarkable resilience, maintaining its core functions while planning for future growth.

Logistical & Economic Contributions	Cultural & Social Resilience
The Black Sea corridor has been a major success, handling 130 million tons of cargo across 5,000 vessels inbound and outbound .	A key partnership with Italy is focused on restoring UNESCO World Heritage sites , preserving the city's unique identity.
Port capacity is actively being increased, with international companies doubling their operations despite ongoing shelling.	Plans are underway for a new, state-of-the-art hospital with underground surgical theaters to ensure medical care can continue safely.

Initiatives to restore **agricultural irrigation systems** in the region's south are underway to attract investment and boost crop yields.

Heritage restoration is strategically linked to **future tourism development**, positioning culture as a driver of economic recovery.

Kharkiv: Defending a Metropolis and Its Identity

Mayor Ihor Terekhov delivered a stark account of the immense destruction inflicted upon Kharkiv, coupled with a powerful narrative of the city's profound defiance and determination to rebuild.

- **160,000 people** left without homes.
- **12,000 buildings** damaged or destroyed, of which **9,000** are residential.

In the face of these staggering losses, Kharkiv's multifaceted response has been heroic:

- **Protecting Cultural Heritage:** In the early days of the war, the city evacuated artistic masterpieces from its museums to the relative safety of underground metro stations, which were simultaneously serving as daily shelters for **160,000 citizens**.
- **Rebuilding Under Fire:** In a remarkable feat of resilience, the city has already managed to completely rebuild **1,200 buildings** while the war continues.
- **Attracting Investment:** Demonstrating enduring confidence in the city's future, Mayor Terekhov successfully secured **€25 million** in new investment during the conference to support Kharkiv's economy.

The Imperative of Cultural Preservation

First Deputy Minister of Culture, Ms. Halyna Gregorenko, made a powerful case that preserving cultural heritage is not a luxury but a core component of national security and identity. She argued that cultural sites are tangible anchors for communities, functioning as hubs for social cohesion and potent drivers for local economies. Referencing pre-war successes like the Potocki Palace, which hosted a major opera festival, she demonstrated how heritage can catalyze economic and social life. With **1,521 cultural sites** damaged, her core message was unequivocal: culture cannot be postponed until peacetime, because the act of preserving and restoring it is a tangible sign that "life goes on."

The immense and varied needs of these frontline cities—from securing port logistics to rebuilding homes—require an equally diverse ecosystem of support, connecting them with private industry, philanthropy, and international financial institutions.

Mobilizing Support: Industry, Philanthropy, and Finance

Ukraine's reconstruction is a monumental task that necessitates a multi-stakeholder approach extending far beyond governmental action. The panel highlighted the distinct yet complementary roles played by the private sector, philanthropic actors, and major international financial institutions. Each brings unique resources and expertise, collectively forming a dynamic ecosystem dedicated to driving the recovery forward in a sustainable and equitable manner.

Sustainable Mobility and Industry Engagement

Michele Ziosi of the Iveco Group outlined the company's commitment to Ukraine's recovery, rooted in its long-term operational presence since 1996. Their contribution is centered on providing the foundational elements of a modern, sustainable transport system. By offering a range of **sustainable transport technologies**—including electric, biofuel, and biomethane vehicles—Iveco aims to ensure that the rebuilding of Ukraine's logistics and public transit is aligned with green principles.

A Philanthropic Mission for Equitable Housing

Philanthropist Dell Loy Hansen presented his "Housing for All" mission, a bold initiative targeting a critical segment of the population.

- **Target Demographic:** The mission is focused on the **50% of Ukrainians earning under \$900 per month**, a group effectively priced out of the current housing market.
- **Affordable Housing Model:** He proposed an innovative model centered on an **affordable voucher system**. This system would provide free rent for the most vulnerable—including widows, orphans, and the elderly—and heavily subsidized rent for low-income workers.
- **Ambitious Future Plans:** Mr. Hansen detailed a future **\$1 billion project to build 20 complete communities**, which will include not only 500 homes each but also integrated schools, community centers, and medical facilities. This holistic project aims to provide secure housing for 70,000 low-income Ukrainians.

EBRD's Twin Pillars: Speed and Quality

Vlaho Kojakovic of the European Bank for Reconstruction and Development (EBRD) distilled the institution's core operational principle for Ukraine: "**Speed matters, but quality must never slip.**" This principle directly informs the EBRD's strategy for housing, strongly advocating for building permanent, high-quality, and fully integrated communities from the outset rather than relying on temporary solutions. This strategy is informed by hard-won lessons from past conflicts; as the EBRD representative noted from the experience in former Yugoslavia, so-called 'temporary' housing often becomes permanent, taking decades to replace and creating lasting social problems.

These diverse support mechanisms, from industrial technology to philanthropic housing and strategic finance, are guided and amplified by the broader strategic frameworks and holistic planning support provided by United Nations agencies.

Global Frameworks and Strategic Planning

The panel underscored the importance of leveraging global expertise and established institutional frameworks to ensure Ukraine's reconstruction is systematic, sustainable, and aligned with international best practices. The contributions of UN-Habitat and the UN Economic Commission for Europe (UN ECE) are vital, providing high-level planning principles and direct, hands-on support to cities, helping them transform crisis into an opportunity for innovation.

UN-Habitat: The Centrality of Holistic Urban Planning

The Executive Director of UN-Habitat argued that effective recovery hinges on moving beyond isolated projects. Their central point was that housing solutions cannot be developed in a vacuum but must be integrated into **comprehensive and holistic urban planning**. This approach requires that every reconstruction decision simultaneously considers its impact on climate change, poverty alleviation, cultural assets, and local economic development. The Executive Director advocated for incorporating innovative planning concepts, including:

- Participatory governance systems that empower local citizens.
- The creation of high-quality public and green spaces.
- The people-centric concept of "cities of care."

UN ECE: Fostering Innovation from Master Plans

Tatiana Molcean of the UN ECE detailed the agency's hands-on work in helping Ukrainian cities develop forward-looking master plans that embed innovation directly into the urban fabric. These projects are not about restoring the past but about creating new economic and social opportunities on the sites of destruction.

- **Kharkiv:** In a direct response to the devastation described by Mayor Terekhov, the UN ECE is partnering with the Norman Foster Foundation to transform the site of the completely destroyed

Barabashovo market into a **new science neighborhood**, turning a symbol of destruction into a hub for innovation.

- **Mykolaiv:** A master plan created with Politecnico di Milano envisions an **innovation district** that strategically blends affordable housing with waterfront redevelopment and environmental restoration, creating a vibrant, mixed-use urban area.

Ms. Molcean concluded with the powerful message that this deep, strategic work is about more than physical rebuilding; it is ultimately about restoring "trust, dignity, and aspiration" for the people of Ukraine.

These global frameworks provide the strategic scaffolding upon which a resilient and modern urban future can be built, leading to a final synthesis of the panel's most crucial and interconnected themes.

Conclusion: Converging Themes for a Sustainable Urban Future

The discussion at Panel 3.3 revealed a strong convergence of ideas and a unified vision for Ukraine's urban recovery. Far from a simple exercise in rebuilding, the collective ambition is to forge a new generation of cities that are more resilient, equitable, and sustainable. The following cross-cutting themes emerged as the foundational pillars for achieving this transformative goal.

1. **People-Centric and Locally-Led Recovery:** A clear consensus emerged that all reconstruction efforts must be centered on the needs, safety, and dignity of Ukrainian citizens. This requires a bottom-up approach where empowered local communities and governments, who best understand their own contexts, are the primary drivers of planning and implementation.
2. **Reconstruction as Transformation:** There was universal agreement that the objective is not to simply restore the past but to seize the opportunity to "Build Back Better." This means creating cities that are more modern, sustainable, green, and inclusive, with integrated housing, innovative public services, and economies built for the future.
3. **The Foundational Role of Transparency:** The recurring emphasis on digital tools like the DREAM ecosystem, combined with principles of open governance and clear accountability mechanisms, was highlighted as an essential prerequisite for success. Transparency is the bedrock for building trust with citizens, attracting international partners, and securing private investment.
4. **An Integrated Multi-Stakeholder Ecosystem:** The panel made it clear that Ukraine's recovery depends on deep and effective collaboration between all actors. Success requires a seamlessly integrated ecosystem where national and local governments, international partners, financial institutions, the private sector, philanthropists, and civil society work in concert toward shared goals.
5. **Resilience Under Fire:** Perhaps the most powerful theme was the extraordinary and inspiring capacity of Ukrainian cities and their leaders to not only endure continuous attacks but to actively rebuild and strategically plan for the future. This remarkable resilience is not just a testament to their spirit but a core asset in the reconstruction process itself.

11.4 Panel 4: The Road to Recovery - Modern Infrastructure

Introduction: Charting the Course for Ukraine's Infrastructure Renaissance

Panel 4 moved the discussion on Ukraine's reconstruction from theoretical planning to the complex realities of execution. The session addressed the dual challenge of undertaking immediate, emergency repairs amid ongoing conflict while strategically developing modern, resilient infrastructure aligned with European standards. By convening key stakeholders from the Ukrainian government, European Union institutions, international finance, and private industry, the panel aimed to outline a practical and coordinated path forward. This report synthesizes the key strategies and commitments presented, beginning with an examination of Ukraine's on-the-ground approach to rebuilding under fire.

Ukraine's Domestic Strategy: Rebuilding Under Fire and for the Future

The operational doctrine of Ukraine's State Agency for Restoration and Development of Infrastructure (Sardi) provides a compelling blueprint for post-conflict reconstruction. As detailed by its head, Siri Derkach, the agency's strategy is not merely reparative; it is transformative, hardwiring European standards and long-term resilience into every wartime project, thereby treating the current crisis as a catalyst for modernization.

- **Wartime Reconstruction in Action:** The progress in the Kyiv region serves as a powerful testament to this approach, with 23,000 of the 30,000 facilities destroyed during the occupation now reconstructed. Projects, such as the comprehensive renovation in Borodianka, demonstrate a commitment to building back better by integrating new technologies, principles of inclusivity, and high standards of energy efficiency from the outset.
- **Focus on Frontline Logistics:** The agency's immediate priority is the maintenance and repair of frontline roads. This critical work supports both military logistics and civilian evacuation and supply routes. This effort comes at a significant human cost, with reconstruction workers tragically lost while carrying out their duties.
- **Flagship Infrastructure Projects:** Highlighting the agency's capacity for rapid, large-scale implementation, the Molive water pipeline is on a compressed timeline, having started in February 2025 with completion expected by August 2025. The pipeline will restore drinking water access for more than half a million people. Notably, the project was delivered with a cost saving of over 28% compared to initial estimates, freeing up funds for other critical needs.
- **Future-Oriented Initiatives:** Beyond emergency repairs, Sardi is advancing a slate of strategic projects designed to modernize Ukraine's infrastructure landscape. These include the construction of new service areas on international highways, the development of nine new border crossing points, the deployment of modular bomb shelters, the construction of municipal housing, the development of thermal power plants fueled by waste incineration, and a project to replace street lighting in 500 communities.
- **Institutional Mechanisms for Transparency:** To ensure accountability and attract international partners, the agency has established robust institutional frameworks. These include expert councils for project feasibility studies, a central procurement organization to manage tenders according to international standards, and a new agency website featuring a system of live dashboards that allow for real-time monitoring of project implementation.

Ukraine's domestic efforts, marked by resilience and a forward-looking vision, are fundamentally linked to the necessity of international alignment and integration, setting the stage for the European Union's supportive framework.

The European Union's Integration Framework: Paving the Way for a Connected Future

The European Union's framework, as presented by Maya Bakran of the Directorate-General for Mobility and Transport (DG MOVE), functions as the strategic anchor for Ukraine's reconstruction, leveraging the Trans-European Transport Network (TEN-T) not merely as a funding channel but as a powerful mechanism for regulatory and operational alignment with the EU single market. This framework provides a clear, long-term roadmap for investment and ensures that reconstruction efforts contribute directly to Ukraine's path toward EU accession.

The key elements of the EU's support strategy include:

1. **Full TEN-T Integration:** Ukraine is now legally integrated into the TEN-T network. This provides a definitive map of corridors and priorities, enabling a strategic approach to identifying and planning long-term infrastructure investments that will enhance connectivity with the EU.
2. **Mobilized Financial Support:** The EU has already mobilized significant grant funding through the Connecting Europe Facility, amounting to €1.5 billion. A recent grant of €76 million was awarded to support the development of a European standard gauge railway connection between Poland and Lviv, demonstrating a clear focus on enhancing interoperability.
3. **Prioritizing EU Standards:** A primary focus is the implementation of the European standard railway gauge to eliminate logistical bottlenecks. Key projects include the 22-kilometer Chop-Uzhhorod line, scheduled to open in August, and the aforementioned connection to Lviv.
4. **Coordination and Capacity Building:** The EU works in close coordination with International Financial Institutions (IFIs) to create synergies and maximize the impact of funding. Furthermore, technical assistance is provided via JASPERS teams to enhance the administrative capacity of Ukrainian authorities to plan and manage complex projects.
5. **Regulatory Alignment:** A crucial component of the strategy is supporting Ukraine's progressive alignment with the full body of EU transport legislation. This regulatory harmonization is essential for deepening Ukraine's integration into the European single market.

This high-level European framework provides the strategic direction that enables practical contributions and expertise from international partners and industry leaders.

International Partnerships and Industrial Expertise: Mobilizing Global Support

The reconstruction of Ukraine's infrastructure hinges on a sophisticated public-private ecosystem. The panel underscored that national ambitions and international policy frameworks are insufficient without the mobilization of specialized industrial partners who bring the requisite technology, execution capacity, and operational know-how to translate strategy into tangible assets on the ground.

Italy's Strategic Commitment and Corporate Expertise

Italy has demonstrated a multi-faceted commitment, marshaling support from the government and its leading industrial corporations to provide a comprehensive package of assistance.

- **Governmental Support (Eduardo Rixi):** The Italian government has pledged to share technology, knowledge, and experience gained from its own extensive infrastructure modernization programs. Crucially, Italy's port system is positioned to serve as a logistical harbor for materials and equipment required for Ukraine's reconstruction.
- **Italian Railways (Stefano Donnarumma):** A memorandum of understanding with Ukrainian Railways is built on four key pillars: 1) infrastructure rebuilding and engineering support through its subsidiary Italferr; 2) sharing expertise in passenger transport management; 3) providing Italian trains compatible with new European standards; and 4) developing new international rail connections.

- **Water, Energy, and Waste Management (Pier Francesco Ragni, ACEA):** The utility giant ACEA is offering specialized expertise in critical sectors. This includes advanced robotics for restoring drinking water networks, smart grid technology for modernizing energy distribution, and state-of-the-art solutions for developing waste-to-energy plants.
- **Advanced Railway Technology (Angelo Pedro, Mermec):** Mermec is providing essential technological support to help Ukrainian Railways adopt European standards. This includes advanced measuring systems to ensure track safety and the development of interfaces for the European Rail Traffic Management System (ERTMS), a critical upgrade for both civil and military logistics.

The European Construction Industry's Perspective

Representing the broader European construction sector, Kjetil Tønning of the European Construction Industry Federation (FIEC) outlined the key conditions necessary to attract and effectively mobilize Western companies for Ukraine's reconstruction.

- **Financial Security:** A call for donor-based payment security and the establishment of first-loss guarantees to mitigate the high risks associated with operating in a conflict zone.
- **Standardized Contracts:** The importance of using internationally recognized contract frameworks, such as FIDIC, to reduce legal uncertainty and streamline negotiations.
- **Early Contractor Involvement:** The necessity of involving contractors early in the project lifecycle. This approach transforms projects into training grounds, facilitating the transfer of critical knowledge in areas like Building Information Modeling (BIM), Eurocodes, and modern Health, Safety, and Environment (HSE) standards.
- **Transparency and Anti-Corruption:** The need for mandatory EU-compliant e-procurement systems, highlighting Ukraine's Prozoro system as a positive example, alongside robust anti-corruption actions to ensure predictable and transparent investment conditions.

Tønning’s framework of de-risked, standardized, and transparent conditions serves as a direct bridge to the core concerns of the financial community, creating a clear set of prerequisites that must be met to unlock the capital discussed in the following section.

Financing the Reconstruction: The Role of International Financial Institutions

The panel positioned International Financial Institutions (IFIs) like the International Finance Corporation (IFC) and the European Bank for Reconstruction and Development (EBRD) as the indispensable catalysts for mobilizing capital at scale. Their function transcends direct lending, focusing on creating bankable projects through critical policy reform, de-risking instruments, and the strategic blending of public and private finance—thereby building the market confidence necessary for reconstruction.

International Finance Corporation (IFC)	European Bank for Reconstruction and Development (EBRD)
Mobilized over \$81 billion as part of the World Bank Group's total support.	Focuses on fast implementation coupled with capacity building for Ukrainian partners.
Emphasizes the need for critical policy reforms, such as the Railway Law, to unlock private investment.	Utilizes project preparation facilities like "Ukraine First" to create a pipeline of bankable projects.

International Finance Corporation (IFC)	European Bank for Reconstruction and Development (EBRD)
Promotes innovative financing models, including Public-Private Partnerships (PPPs) and viability gap funding, as demonstrated by the Jytomyr hospital project.	Prioritizes the development of the road sector project pipeline.
Leverages de-risking support from donors, such as guarantees from the European Commission, to make projects viable.	Provides emergency liquidity lines to support essential services in war-affected cities like Zaporizhzhia.

A common theme stressed by both institutions is the absolute necessity of a stable and reformed regulatory environment. Such a framework is the essential prerequisite for attracting private sector participation. The recent adoption of Ukraine's new PPP law was cited as a key positive step in creating the legal architecture needed to facilitate large-scale private investment. This financial architecture must support the cohesive strategy emerging from all sectors.

Conclusion: Synthesizing a Cohesive Path Forward

The discussion in Panel 4 successfully synthesized the diverse perspectives of government, finance, and industry into a remarkably aligned and cohesive strategy for Ukraine's infrastructure recovery. Rather than operating in silos, the stakeholders demonstrated a shared understanding of the challenges and a commitment to a coordinated, multi-layered approach. The dialogue moved beyond aspirational goals to articulate an actionable roadmap, grounded in the realities of a nation at war but focused on building a modern, integrated, and resilient future.

Three critical, cross-cutting themes emerged as the pillars of this path forward:

1. **The Dual Imperative: Wartime Repair as a Foundation for Future Modernization:** There was a clear consensus that reconstruction cannot wait for peace. The panel underscored the necessity of a dual-track approach that integrates immediate, emergency repairs with the long-term vision of modernization, ensuring that today's investments lay the groundwork for a stronger, more efficient Ukraine.
2. **Integration as the Engine of Recovery:** The shared understanding is that a successful recovery is synonymous with deep integration into European frameworks. This applies not only to physical infrastructure through the TEN-T network but also to technical standards, legal systems, and economic practices, including transparent, EU-compliant procurement.
3. **The Public-Private Ecosystem: A Coalition for Reconstruction:** It is evident that no single actor can rebuild Ukraine alone. The recovery demands a dynamic ecosystem of partnerships that combines strong national leadership and local implementation with the financial power of international public institutions and the technical expertise and efficiency of the private industrial sector.

Ultimately, the panel provided more than just an overview of needs and projects; it defined a clear, actionable, and collaborative roadmap for building a modern and resilient Ukraine, fully integrated into the heart of Europe.

11.5 Panel 5: United Communities and Regions: Effective Governance for Ukraine's Recovery

Introduction: Setting the Stage for Decentralized Recovery

The panel discussion on “United Communities and Regions: Effective Governance for Ukraine's Recovery” moderated by Antonella Valmorbida, Secretary General of the European Association for Local Democracy (ALDA), framed Ukraine's decentralization reform not merely as a policy initiative but as a foundational pillar of national resilience and a critical prerequisite for successful post-war recovery and European integration. The session immediately established the central tension of the discussion: the challenge of advancing a sophisticated, long-term decentralization agenda (a peacetime governance reform) under the brutal, centralizing pressures of a full-scale war. The moderator's opening statement set the central task: to explore how to translate the grassroots strength demonstrated by local leaders into a robust national governance architecture. Key themes highlighted included the next strategic phase of decentralization, intermunicipal cooperation, territorial diversity, and the institutional capacity required to effectively manage recovery resources like the Ukraine Facility.

The National Strategy: Advancing Decentralization Amidst War

This section analyzes the strategic vision of Ukraine's central government for advancing governance reform amidst the full-scale invasion. It synthesizes the perspectives of key officials from the executive and legislative branches, outlining their commitment to deepening decentralization as a core element of national strategy.

The Ministry's Vision for Resilient Communities

Deputy Minister for Development of Communities and Territories, Alexiy Ryabykin, articulated the Ministry's approach to continuing decentralization under extreme duress. His key messages underscored the reform's integral role in Ukraine's defense and its future.

- **Context of War:** Mr. Ryabikin described the "extraordinary challenges" facing Ukraine, including temporarily occupied territories, active hostilities, and the constant nationwide threat of missile and drone attacks, which creates a complex and dynamic environment for governance.
- **Role of Communities:** He emphasized that local communities and self-governments were instrumental in resisting Russian aggression from the very beginning, highlighting that their resolve demonstrates the value-based nature of the conflict—a fight for the right to live as a European country.
- **Continuation of Reform:** The decentralization reform continues despite the war because it provides citizens with tangible hope for a future in a "peaceful civilized country where the European law rules," where human dignity is the highest value. This forward-looking vision is essential for national morale and stability.
- **Key Legislative Goals:** The primary goals for the reform include establishing a legal framework for the oversight and surveillance of local self-government decisions to ensure legality, and clearly defining the division of powers between national and local authorities to create a balanced and effective system.
- **Methodology:** A core principle of the reform process is the maintenance of an "open and equal dialogue" between all actors - local self-governments, regional authorities, and the central government. This collaborative approach is vital for generating the best solutions to rapidly evolving challenges.

The Parliament's Legislative Track

Vitali Bezgin, a Member of the Ukrainian Parliament, outlined the Verkhovna Rada's legislative priorities, reinforcing the link between decentralization, national stability, and European integration.

- **A Unique Symbiotic System:** Mr. Bezgin described Ukraine's current governance model as a "symbiotic system" that balances decentralized municipalities with state military administrations. He argued this unique structure has been crucial for maintaining national stability during the full-scale war.
- **Legislative Priorities:** The Parliament's focus is on enhancing both international and internal cooperation. A key priority is developing a new transition model for de-occupied territories to facilitate a smooth and effective return from military to civil administration.
- **Transparency and the Ukraine Facility:** He directly linked the push for greater transparency, particularly through supervision mechanisms, to the necessity of attracting European investors and fulfilling the requirements of the Ukraine Facility. Transparency is framed not just as a principle of good governance but as an economic and strategic imperative.
- **Defining Responsibilities:** Mr. Bezgin underscored the urgent need to formally delineate powers and responsibilities between different levels of government, framing it not only as a prerequisite for micro-financial stability but also as an "indicator of a normal mind" to create a predictable and functional state.

This national-level push for legal clarity and transparent supervision, driven by the demands of the Ukraine Facility, finds its practical acid test on the ground, where local leaders must implement recovery projects, and in the oversight frameworks designed to ensure their integrity. The subsequent sections explore this dynamic interplay between top-down policy and bottom-up implementation, beginning with the stark realities of frontline governance.

Voices from the Ground: Governance Innovations Under Fire

This section moves from national strategy to practice, highlighting that effective governance is not a theoretical concept but a set of real-world solutions developed under the extreme pressure of war. The testimonies of leaders from frontline and smaller communities provide a powerful illustration of resilience, adaptation, and leadership.

The Kherson Model: A Blueprint for Civil-Military Resilience

Oleksandr Prokudin, Head of the Kherson Regional State Administration, delivered a compelling account of the innovative crisis management solutions developed through the "Civil-Military Administration in the condition of modern war" program. These hard-won lessons, tested on the front line, offer a potential blueprint for strengthening resilience across Ukraine and Europe.

1. **Drone Defense:** A sophisticated three-level "electronic wall" has been established, operating on 15 different frequencies simultaneously to counter a wide variety of enemy drones. This system represents a crucial adaptation to what Mr. Prokudin described as a "constant tech battle more like Star Wars than real life," which includes using "big drones with hooks to catch Russian fiber optic UAVs."
2. **Continuity of Medical Care:** To ensure medical services continue despite constant shelling, a network of underground hospitals has been created. With 11 facilities already operational and 11 more in preparation, these protected sites allow for complex procedures to be performed safely. The region's main hospital, with only 100 doctors, performed 1,100 heart operations last year under fire—a figure comparable to a top Lithuanian university hospital with 1,400 doctors serving a population six times larger.
3. **Educational Resilience:** To protect children while enabling their education, the administration has implemented mixed-format classes held in shelters for both schools and kindergartens. This ensures that learning can continue even under the threat of attack.
4. **Critical Infrastructure Protection:** A multi-layered strategy is used to protect the energy system. This includes physical protection of critical sites, the installation of backup power lines, hidden

communication systems, and the widespread deployment of backup generators to ensure continuity of power.

Mr. Prokudin concluded with a powerful message: this painful experience, paid for at a high price, must be shared to strengthen the resilience of all of Europe and ensure that no other region has to learn these lessons in the same way.

The Role of Small Communities: The Case of Balta

Sergey Mazour, Mayor of Balta, provided a crucial perspective from a smaller community, demonstrating how decentralization has empowered local actors to become effective agents of resilience and recovery.

- **Impact of Decentralization:** Mayor Mazour explained that the reform, implemented years before the full-scale invasion, provided his community with crucial access to resources and established clear lines of accountability. This created the strong foundation that allowed his community to effectively resist the invasion and manage local challenges from the start.
- **Value of Partnerships:** He highlighted the vital role of international partnerships in delivering humanitarian aid and implementing social projects that have been critical for sustaining the community during the war.
- **Call for Investment:** The mayor argued that investing in smaller Ukrainian cities is profitable and made a specific, open call for his town of Balta to find an Italian twin city, expressing a desire to foster deeper cooperation and mutual partnership.

The specific needs articulated by frontline and smaller communities—from crisis-tested resilience models to calls for direct investment partnerships—form the demand side of a crucial equation. The supply side is composed of the strategic, financial, and technical support offered by European partners, who view decentralization not just as a Ukrainian reform but as a core European principle for effective recovery.

European Perspectives: Partnership, Subsidiarity, and Support

This section synthesizes the views of European local and institutional leaders, revealing a shared and deep-seated commitment to Ukraine's recovery. This commitment is consistently framed through the principles of decentralization, subsidiarity, and multi-level governance, reflecting a common European approach.

The Italian Model and the Power of Municipalities

Stefano Lo Russo, Mayor of Turin, offered a perspective rooted in Italy's long history of municipal governance, arguing that local authorities are central to an effective recovery.

- The aggression against Ukraine is an attack on all of Europe, creating a shared responsibility to turn a tragedy into an "opportunity for rebirth and growth."
- The principle of **subsidiarity** is crucial for recovery. Municipalities, being closer to citizens and often more efficient than central governments, are best positioned to lead reconstruction efforts.
- The Italian experience, with its deeply embedded tradition of strong municipalities, offers a valuable model for designing a new institutional architecture in Ukraine that effectively balances central and local power.

The Council of Europe's Role in Strengthening Local Democracy

Mathieu Mori, Secretary General of the Congress of Local and Regional Authorities of the Council of Europe, detailed the organization's long-term and ongoing support for Ukraine's governance reforms.

- **Long-Term Partnership:** The Council of Europe has a 30-year history of cooperation with Ukraine on democratic security. Mr. Mori noted that the 2014 decentralization law is widely considered "the most important reform in modern Ukraine."

- **Updating the Decentralization Concept:** The Congress is actively working with Ukrainian partners to revise the 2014 decentralization framework to meet the new challenges of wartime and post-war recovery. A key goal is to improve the capacity of local authorities to absorb direct international loans.
- **Concrete Support Areas:** The Congress is providing focused support in several key areas: developing models for the transition from military to civil administrations, establishing balanced oversight mechanisms, ensuring a clear division of powers, and boosting intermunicipal cooperation.

European Union Financial and Technical Instruments

Stefan Schleuning, Head of Cooperation at the EU Delegation to Ukraine, provided a detailed overview of the financial and technical instruments the EU has deployed to support Ukraine's decentralized recovery.

1. **Reform Context:** The EU views Ukraine's decentralization reform as a major success. However, further reforms are needed for EU accession, including clarifying the powers between government levels, creating a coordinated strategic planning architecture, and ensuring stable and predictable financing for local governments.
2. **Support Mechanisms:** The EU offers a comprehensive suite of tools to support these goals:
 - **Ukraine Facility:** This core instrument is built on three pillars, providing access to loans, technical expertise, and support for peer-to-peer partnerships.
 - **Ukraine Investment Framework:** This framework aims to mobilize significant capital, with approximately €10 billion in EU support expected to leverage around €40 billion in total investment. It is explicitly designed to be accessible to municipalities through International Financial Institutions (IFIs).
 - **Technical Assistance & Partnerships:** The EU funds a portfolio of flagship programs to build local capacity and foster cooperation, including:
 - U-LEAD with Europe
 - EU for Recovery (in partnership with UNDP)
 - The Partnership Hub
 - The new flagship initiative, EU for Reconstruction

The robust support from European institutions is complemented by the work of global partners focused on translating these resources into tangible outcomes.

Global Partnerships for Local Capacity: The UNDP Strategy

Global partners like the United Nations Development Programme (UNDP) play a vital role in translating high-level strategies and financial commitments into concrete capacity-building at the local level. Huilong Xu, UNDP's Associate Administrator, outlined the organization's strategic priorities for supporting Ukraine's decentralized governance.

- **Core Principle:** A central tenet of UNDP's approach is to ensure that local actions are strategically aligned with national objectives, creating a cohesive and unified recovery effort.
- **The "4Rs" Framework:** UNDP's strategy is organized around four interconnected pillars: **Reconstruction**, **Returns** (of displaced populations), **Resilience**, and **Reforms**.
- **Key Areas of Support:** UNDP is engaged in specific, practical activities to empower local communities, including:
 - Building local capacity to access EU funds, notably by training municipalities to use the DREAM digital ecosystem.
 - Facilitating the national "shoulder-to-shoulder" initiative, which pairs communities to support one another.
 - Enhancing local energy resilience through distributed power generation.

- Promoting local skills development to create a workforce ready for reconstruction.

However, the effective deployment of these vast international resources is contingent upon a robust system of national oversight capable of ensuring accountability and building the trust of both Ukrainian citizens and global partners.

Upholding Integrity: The State Audit Service's Framework for Accountability

The success of Ukraine's recovery hinges on building trust with both its citizens and international partners. This requires robust mechanisms for financial oversight and accountability, a role filled by the State Audit Service of Ukraine, as detailed by its Head, Alla Basalaieva.

Audit and Control Mechanisms

The State Audit Service employs a multi-faceted approach to ensure the effective and legal use of recovery funds.

- Its primary tools include **audits** to assess the effectiveness of administrative decisions, **inspections** to identify specific violations, and **preventive procurement monitoring** to flag issues before contracts are finalized and funds are spent.
- The Service is a key oversight body for the Ukraine Facility and serves as the national **Anti-Fraud Coordination Service (AFCOS)**, coordinating directly with the European Anti-Fraud Office (OLAF).

Systemic Challenges in Reconstruction

Through its work, the Service has identified key systemic challenges that must be addressed to ensure the integrity of the reconstruction process.

1. A lack of transparent and clearly defined criteria for the selection of reconstruction projects, which can lead to the non-transparent allocation of resources.
2. Significant issues with the quality of construction and inflated costs, often stemming from poor project documentation and unsubstantiated cost estimates.

Ms. Basalaieva emphasized that the Service works collaboratively with government ministries, using its audit findings to develop recommendations that form the basis for legislative and regulatory solutions.

Conclusion: A Unified Vision of Cohesion and Resilience

The panel articulated a clear theory of victory for Ukraine's recovery: a vertically integrated governance model where local agility, validated by frontline experience, is enabled and scaled by a national legal architecture and supercharged by targeted international financial and technical partnerships. The primary challenge, therefore, is not a lack of vision, but the operational complexity of aligning these distinct levels under the duress of war. The consensus among Ukrainian, European, and international speakers was unmistakable: strengthening local communities through partnership, transparent resource management, and shared expertise is the most effective path to not only rebuild Ukraine but to build it back better, stronger, and more deeply integrated with Europe.

11.6 Panel 6: Transparency and Accountability in Ukraine's Reconstruction

Introduction: The Imperative of Trust in Ukraine's Recovery

Moderated by Allan Christensen, Head of the EU Anti-Corruption Initiative in Ukraine, the panel convened to analyze a groundbreaking governance model being forged under the extreme duress of war: Ukraine's framework for transparent and accountable reconstruction. The discussion was anchored in the core premise that without profound trust from its citizens and international partners, the nation's monumental recovery cannot succeed. In this context, Ukraine's efforts are not merely about rebuilding but about pioneering a potential global paradigm for post-conflict reconstruction in the digital age. The panel explored the sophisticated digital tools, comprehensive institutional reforms, and unique collaborative partnerships that Ukraine is developing to build this trust, even as it continues to defend itself against a full-scale invasion.

The Ukrainian Government's Framework for Accountable Recovery

As articulated by Deputy Minister for Development of Communities and Territories, Marina Dinosuk, the Ukrainian government's strategic approach frames transparency and accountability not as supplementary goals, but as essential components for attracting investment and ensuring an effective, inclusive recovery. This framework is built on a combination of institutional reform, capacity building, and the leveraging of advanced digital systems to create a resilient and trustworthy reconstruction process.

Since 2023, the ministry has undertaken several key anti-corruption efforts to operationalize this vision:

- **Institutional Reforms:** A comprehensive risk assessment was conducted, leading to the adoption of a formal anti-corruption program designed to embed integrity into the ministry's core operations and policies.
- **Capacity Building:** Recognizing that effective governance requires skilled personnel at all levels, the ministry launched a professional training program for specialists in central, local, and municipal authorities. To date, over 3,000 representatives have completed training on anti-corruption issues.
- **Digital Systems:** Digital platforms, most notably the DREAM system, have been established as the core instrument for ensuring transparency throughout the project lifecycle, from planning and selection to implementation and monitoring.

A central implementing body in this framework is the **Agency of Restoration**, which has been structured with multiple layers of transparency mechanisms. These include:

- **Advisory Board:** Launched under the Ukraine donor platform, this board provides independent oversight and expert recommendations to ensure transparency in decision-making, with its first experts already contributing to the modernization of the Mykolaiv water supply system.
- **Centralized Procurement Organization:** This body was established to ensure that all procurement procedures are fair, efficient, and transparent, thereby minimizing corruption risks and maximizing value for public funds.
- **Digital Navigation:** The agency utilizes an easy-to-navigate online system, fully integrated with the DREAM platform, which provides the public with clear criteria for project selection, real-time funding status, and detailed information on geographic targeting.

Despite these significant advances, the Deputy Minister identified a primary challenge: balancing the imperative to provide public information on recovery spending with the critical security constraints imposed by wartime conditions. While the government is committed to openness, the need to protect sensitive information from the aggressor necessitates a carefully managed approach to data publication. The efficacy of this government-led framework, however, is contingent upon the sophisticated digital ecosystem designed to translate policy into practice.

The Digital Ecosystem: Tools for Transparency and Public Oversight

Ukraine's reconstruction strategy is fundamentally anchored in a sophisticated digital ecosystem, a product of a unique partnership between the government, civil society, and international partners. This ecosystem is designed to manage and monitor the entire lifecycle of recovery projects, ensuring that transparency is built into the process from the very beginning.

The DREAM System: A Digital Backbone for Public Investment

As explained by Victor Nestulia, the DREAM platform has evolved from a tool specifically for reconstruction into the digital backbone for Ukraine's entire public investment management system. Its development is a testament to a powerful co-creation process involving the Ukrainian government, the RISE Ukraine civil society coalition, and numerous international partners. This collaborative approach has ensured that the system is not only technologically advanced but also grounded in the principles of open government.

The key functionalities of DREAM can be understood as a comprehensive workflow:

1. **Project Preparation:** The system mandates the use of the United Kingdom's rigorous 5-case model (strategic, economic, financial, managerial, and commercial) for all project planning. This ensures that projects are well-conceived and aligned with strategic priorities before they begin.
2. **Data Integration & Verification:** DREAM incorporates specific criteria for gender equality, accessibility for people with disabilities, and environmental standards directly into the project flow. Starting in September 2024, this data will be subject to a formal verification and appraisal process within the system.
3. **Public Access & Monitoring:** The system provides multiple access points for different stakeholders. A public portal offers general information and interactive maps, business intelligence tools allow for deeper analysis, and open data APIs enable the broader ecosystem of civil society and private sector actors to use and build upon the data.

Civil Society Monitoring and Data Verification

Ukraine's accountability model relies on a crucial, symbiotic relationship between the state and a vibrant civil society. This partnership transcends the traditional watchdog function, positioning civil society not merely as an observer but as a co-creator and essential validation layer for government systems. This unique feature, as highlighted by Victor Mashuk of the Fiscal Policy Research Center, is a cornerstone of the entire trust-building objective.

Initiative	Description
spending.gov.ua	An initiative providing daily public access to Ukrainian Treasury transactions for nearly a decade.
Prozorro	A world-renowned transparent e-procurement system co-founded by civil society.
Cost of State	A project by the Fiscal Policy Research Center that aggregates and verifies recovery spending data from state budgets, local budgets, and international aid programs to complement DREAM.

The Foundational Data Layer: The State Urban Planning Cadaster

As Robert O'Donovan from the Eurasia Foundation explained, the effectiveness of user-facing systems like DREAM and e-Recovery depends on a robust underlying digital infrastructure. The core of this architecture is the **State Urban Planning Cadaster**, which integrates seven core registries and systems.

A practical example illustrates its function: building a new hospital. The process begins with the **Register of Urban Planning Documentation** to allocate a land plot. The location is then verified using the **Register of Addresses** and the **Register of Buildings**. The entire permitting, construction, and commissioning process is managed through the **e-Construction system**, which automates compliance checks and reduces opportunities for corruption. Crucially, all data from this foundational process is automatically fed into the DREAM ecosystem, ensuring end-to-end transparency. This comprehensive internal digital framework is further strengthened by the expertise and support offered by international partners.

International Partnerships: Sharing Best Practices and Strategic Support

International partners play a crucial role in reinforcing Ukraine's transparency and accountability efforts by contributing proven expertise, successful governance models, and strategic financial and technical support.

Lessons from Italy in Anti-Corruption and Efficiency

Giuseppe Busia, President of Italy's National Anti-Corruption Authority (ANAC), distilled the core philosophy of his organization: transparency and digitalization are tools not only for preventing corruption but for enhancing administrative efficiency and enabling better long-term planning. This perspective offers valuable parallels for Ukraine's own journey.

Key Italian experiences that can offer insights for Ukraine include:

- **Post-Emergency Institutional Collaboration:** Following devastating earthquakes, ANAC worked in partnership with financial police and local institutions to provide preventive checks during reconstruction. This model offers a direct parallel for Ukraine as it navigates the balance between rapid reconstruction and the integrity checks required under wartime security constraints.
- **National Data Bank of Public Contracts:** Italy has created a comprehensive system for digitalizing the entire public contract lifecycle, similar in ambition to Ukraine's Prozorro and DREAM systems.
- **Single Transparency Platform:** Italy is developing a "one-stop shop" for public data from all administrations, aiming to unify disparate data sources for easier public access and oversight.
- **MOU with NACP:** A formal memorandum of understanding has been signed between ANAC and Ukraine's National Agency on Corruption Prevention (NACP), cementing a long-term partnership for sharing expertise and best practices.

The United Kingdom's Support for Good Governance and Economic Growth

Ambassador Edward Llewellyn articulated the UK's strategic position, emphasizing the principle that Ukraine's recovery is happening now and requires a clear, communicated plan to foster the business confidence needed for private sector investment. To this end, the UK is providing targeted support across several critical areas.

Key areas of UK support include:

- **Project Preparation:** The UK announced additional support for the World Bank's Ukraine Project Preparation Facility to help develop a pipeline of bankable infrastructure projects.
- **Systemic Reforms:** Direct assistance is being provided to advance reforms in Ukraine's public investment management and public procurement systems.

- **Decentralization:** The UK is backing strong local self-government, a cornerstone of Ukraine's resilience and a key component of effective recovery.
- **Social Recovery:** Through the flagship SPIRIT social program, developed in partnership with the EU and the World Bank, the UK supports inclusive recovery.
- **Rule of Law:** A new governance reform program is being launched to strengthen Ukraine's justice system, which is fundamental to a predictable and fair investment climate.

While bilateral state partnerships provide strategic direction, the role of multilateral and non-governmental organizations is essential for building practical, on-the-ground capacity.

Building Capacity and a Culture of Integrity

International organizations are instrumental in translating high-level policy into practical, on-the-ground action. This work focuses on building the human and institutional capabilities within Ukraine that are necessary for a truly accountable and sustainable recovery.

Levan Dunchitse of the International Development Law Organization (IDLO) detailed the practical challenges and solutions encountered in project implementation. When IDLO began working with the Agency for Restoration, it identified two initial problems: the low quality of project proposals submitted from the local level and the agency's limited capacity to review this high volume of submissions.

Rather than attempting to fix thousands of individual proposals, IDLO developed a systemic solution. They created comprehensive guidelines to help local entities prevent common shortcomings in areas like technical feasibility, cost estimation, and the inclusion of transparency mechanisms. This systemic solution directly addresses the challenge of enabling local entities to meet the rigorous planning standards, such as the UK's 5-case model, now mandated by the DREAM system. The key takeaway from this experience is the critical need to decentralize capacity-building efforts and empower local governments directly.

Drawing on extensive on-the-ground experience, Olena Vuyko of the UNDP summarized the key lessons learned into three core principles:

1. **Accountability is Non-Optional:** Transparency is not a "nice-to-have" but a firm requirement that builds the trust necessary to unlock major development projects. The successful collaboration with the European Investment Bank (EIB), which unlocked over €940 million in infrastructure loans, serves as a powerful example.
2. **Leadership Must Bridge the "Perception Gap":** A significant gap exists between how authorities and citizens perceive the level of corruption. Strong leadership and open dialogue are essential to close this gap and build a shared understanding and trust.
3. **Integrity is a Culture:** True accountability is not the result of a single program or digital tool. It requires a long-term, sustained investment in building a culture of integrity, which includes providing anti-corruption officers with the capacity, resources, and institutional support to be effective.

These efforts to build capacity and culture are the essential groundwork for achieving the panel's overarching vision.

Conclusion: A Unified Vision for Trust-Based Reconstruction

Drawing from moderator Allan Christensen's closing remarks, the panel discussion culminated in a unified vision of Ukraine's recovery as a process built unequivocally on trust. The dialogue affirmed that Ukraine's approach represents a new, integrated doctrine for accountable recovery, one that other nations can and should study. It is a model characterized by a powerful combination of innovation, collaboration, and a deep commitment to democratic values, even in the face of unprecedented challenges.

Three unique and powerful pillars of this new doctrine emerged from the discussion:

- **Pervasive Digitalization:** The strategic and comprehensive use of interconnected digital tools like DREAM to create an end-to-end transparent process for public investment, setting a new global standard for governance in recovery.
- **Government-Civil Society Partnership:** The unprecedented level of collaboration between state institutions and civil society organizations in co-designing, implementing, and monitoring the recovery process, ensuring that it is both effective and publicly accountable.
- **The Ultimate Goal of Trust:** A shared understanding among all stakeholders that transparency and accountability are not ends in themselves, but are the essential means to achieve the ultimate goal: building the profound and resilient trust needed for a successful and prosperous future for Ukraine.

11.7 Panel 7: Resilience and Cohesion Through Local and International Partnerships

Introduction: Setting the Stage for Collaborative Recovery

The Ukraine Recovery Conference (URC) panel on "Resilience and Cohesion Through Partnerships" convened to address a central tension in Ukraine's recovery: the need to reconcile the immediate, desperate requirements for survival on the frontlines with the long-term, strategic imperative of "rebuilding back better" in alignment with European standards. The panel's strategic importance lies in its focus on multi-level partnerships as the fundamental pillar for both Ukraine's national revival and Europe's broader resilience and cohesion.

The moderator, Svitlana Blinova, coordinator of the "Cities for Cities" initiative, framed the core challenge for the panel. She posed the central question of how to strengthen partnerships at the political, financial, and institutional levels to contribute effectively not only to Ukraine's reconstruction but also to a shared, reinforced European security architecture. This inquiry established the dual nature of the task ahead: rebuilding a nation while simultaneously fortifying the foundations of a united continent.

Ms. Blinova highlighted Ukraine's "**Shoulder-to-Shoulder**" national project as a powerful domestic model of solidarity. This initiative, which links frontline communities with those in safer regions, serves as a testament to internal cohesion and provides a foundational architecture that, as the panel explored, can be expanded and adapted for robust international cooperation. This report will now delve into the perspectives of Ukrainian leaders, who articulated both the urgent needs born from war and a clear strategic vision for the future.

The Ukrainian Perspective: Partnerships as a Lifeline of Hope and Resilience

The contributions from Ukrainian national and local leaders provided a grounded, first-hand view of the war's realities, synthesizing into a cohesive three-tiered vision for a partnership-driven recovery. Their testimonies underscored the vital, multifaceted role of cooperation, which functions as everything from an immediate lifeline for survival to a strategic channel for long-term development. Their message was one of profound resilience, strategic foresight, and an invitation for a new kind of collaborative relationship with Europe.

The National Strategy: Rebuilding Better and Expanding Cooperation

Aliona Shkrum, First Deputy Minister for Development of Communities and Territories, outlined a dual-track national strategy that balances immediate reconstruction with ambitious, forward-looking principles. She reported significant progress, noting that **75% of the 30,000 objects destroyed in the Kyiv region have already been rebuilt**. Crucially, this effort is guided by a commitment to "rebuild back better," utilizing greener, more inclusive, and modern technologies. As she explained, this approach is not a luxury but a necessity, as Ukraine lacks the resources to rebuild twice.

The Deputy Minister detailed the evolution of the **"Shoulder-to-Shoulder"** program, which began as an internal network of solidarity and has since expanded to incorporate international partners, creating a multi-layered support system. Looking forward, she articulated a clear strategic call to action: the necessity of adding a **"business layer"** to these partnership ecosystems. Recognizing that public funds alone are insufficient—with 70% of destruction concentrated in 11 frontline regions—the government is developing special conditions for businesses willing to invest in these higher-risk areas, affirming that private capital is indispensable for a sustainable recovery at scale.

Voices from the Ground: Experience, Security, and Opportunity

Perspectives from the municipal level complemented the national strategy by emphasizing the unique assets Ukrainian communities now possess.

Kateryna Yamshchikova, Acting Mayor of Poltava, challenged the traditional donor-recipient paradigm by arguing that Ukrainian municipalities offer their European counterparts invaluable, hard-won experience in security, crisis management, and rapid adaptation. From transforming ordinary shelters into multi-functional community spaces to managing essential services under constant threat, Ukrainian local leaders have developed a body of practical knowledge that represents a significant asset. This expertise, she suggested, reframes the relationship to one of mutual learning and shared resilience building. As she stated, "when we speak of Ukraine today it's all about opportunities... of new experience."

Andrii Beseidin, Head of the Kupyansk City Military Administration, provided a stark and poignant account from the frontlines, where 95% of his city has been destroyed. He reframed the concept of partnership not as a matter of policy, but as the fundamental provision of **"hope"** for communities facing near-total obliteration. For his constituents, who have lost everything, partnership is a tangible sign that they are not forgotten. He stressed that genuine partnership is built on a deep, "eye-to-eye" understanding of needs, rather than on formal agreements alone, and that this cooperation is fundamental to preventing future conflicts. He poignantly noted, "if we started this partnership 20 years ago, we would never [have] seen this war."

This powerful combination of strategic vision and urgent human need from Ukraine is being met by a European framework designed to provide both the institutional architecture and the national political will for a robust response.

The European Institutional Framework: Structuring and Scaling Cooperation

The panel underscored the critical role of established European networks and institutions in providing the structure, tools, and political advocacy necessary to transform grassroots solidarity into systematic and sustainable partnerships. These bodies act as crucial intermediaries, ensuring that the goodwill between communities is channeled effectively and amplified for greater impact.

The Role of Regions and Municipalities

Antje Grotheer, representing the European Committee of the Regions, emphasized that the local and regional levels are indispensable for the effective implementation of EU policy, as they are responsible for executing approximately 70% of all EU legislation. This positions mayors and local leaders as the most trusted and essential actors in turning policy into reality.

She offered a practical model for expanding cooperation, citing the example of her city, **Bremen**, which partnered with **Odesa** by leveraging its existing sister-city relationship with **Gdansk, Poland**. This trilateral approach demonstrates how EU municipalities can use their established networks to build new bridges to Ukraine. To further facilitate these connections, Ms. Grotheer voiced strong support for the creation of a **"one-stop shop"** or centralized hub to systematically match Ukrainian and EU municipalities—a direct institutional response to the need for efficient support that can translate the "hope" Andrii Beseidin spoke of into tangible action for more communities.

The Power of City Networks

André Sobczak, Secretary General of Eurocities, described his network's three-pronged approach to empowering its more than 220 member cities, which now include ten from Ukraine. The organization works to:

1. **Influence Policy:** Ensuring the needs of cities are reflected in national and EU-level decision-making.
2. **Advocate for Financial Resources:** Pushing for direct access to funding for urban development and recovery.
3. **Build Capacity:** Facilitating knowledge transfer and peer-to-peer learning among municipal administrations.

Eurocities has implemented concrete support mechanisms, including a solidarity fund for Ukrainian members and the "**SUN for Ukraine**" project, which helps Ukrainian cities advance toward climate neutrality. Mr. Sobczak also stressed the principle of mutual learning, noting that European cities are "very impressed about how Ukraine has been so quick... so fast and so efficient" in its reconstruction efforts.

These institutional frameworks provide the overarching architecture, while targeted national and intergovernmental strategies demonstrate how these principles are being put into concrete, impactful action.

National and Intergovernmental Strategies in Action

Beyond broad European networks, the panel showcased how individual nations, intergovernmental bodies, and cities are implementing targeted strategies that provide powerful examples of effective, long-term support for Ukraine.

Case Study: The Swedish Model of Long-Term Partnership

Jakob Granit, Director General of the Swedish International Development Cooperation Agency (SIDA), detailed Sweden's deep and long-standing commitment to Ukraine's decentralization, a partnership that began in 1991. This long-term engagement is now channeled through strategic programs like "**Polaris**," a 250 million SEK initiative dedicated to facilitating municipal partnerships.

Mr. Granit highlighted the mutually beneficial nature of this cooperation. While supporting Ukrainian communities, Swedish municipalities are simultaneously enhancing their own resilience and defense knowledge. By learning from Ukraine's experience, Sweden is strengthening its own model of "total defense," demonstrating that these partnerships contribute directly to the security and preparedness of both nations.

Case Study: Italian Leadership and the Value of Twinning

Vito Leccese, Mayor of Bari, illustrated the deep-rooted Italian tradition of local governance and its potential for fostering social healing. He drew a powerful parallel between Ukraine's current challenge and Europe's post-World War II reconstruction. He reminded the audience that while the Marshall Plan provided the economic engine for recovery, it was the principle of **city twinning** that was fundamental to rebuilding community values, trust, and social cohesion. "When communities meet," he stated, "they get to know each other and they stick together and they build a peace together."

Underscoring this philosophy with concrete action, Mayor Leccese announced that he would be signing four new partnership agreements with Ukrainian cities during the conference, symbolizing a direct commitment to this model of community-led reconciliation.

The Intergovernmental Approach

Franco Dal Mas, Secretary General of the Central European Initiative (CEI), positioned his organization as a pragmatic "**bridge builder**." As an intergovernmental body with Ukraine as a member, the CEI acted

decisively from the first days of the full-scale invasion. It has utilized its funds and leveraged partnerships with institutions like the European Bank for Reconstruction and Development (EBRD) to deliver tangible reconstruction projects, such as the restoration of a transportation system in Ternopil.

These diverse strategies demonstrate a unified European effort, converging toward a clear set of actionable conclusions for the future of partnership-based recovery.

Conclusion: A Unified Call for Deeper, Broader, and More Systemic Partnerships

The discussion revealed a powerful consensus, moving from Ukraine's articulation of partnership as a source of both immediate hope and strategic capital, through to the European institutional response designed to structure and scale this cooperation. The panel culminated in a clear set of imperatives to ensure these partnerships are systemic, inclusive of the private sector, and built on a foundation of mutual respect and learning. Multi-level collaboration—from city-to-city and region-to-region to intergovernmental and institutional—is the cornerstone of a resilient recovery for Ukraine and a more cohesive Europe.

The key strategic imperatives for the future that emerged from the discussion include:

- **Integrate Business and Investment:** Actively involve the private sector in partnership ecosystems to scale up reconstruction. This must be supported by special investment conditions and incentives, particularly for businesses operating in frontline and heavily damaged regions.
- **Systematize Cooperation:** Develop practical tools, such as a "one-stop shop" or a centralized partnership hub, to facilitate more efficient and widespread matching between Ukrainian and European communities. This will lower the barrier to entry for smaller municipalities and streamline the process for all.
- **Prioritize Mutual Learning:** Frame partnerships not as one-way aid but as a two-way exchange of valuable experience. Ukrainian communities offer unparalleled expertise in resilience, crisis management, and rapid reconstruction, which is a vital asset for enhancing Europe's own preparedness.
- **Build Institutional Capacity:** Continue to invest in training and technical assistance for Ukrainian municipalities. This support is crucial for enhancing their ability to plan and manage complex recovery projects, navigate EU funding mechanisms, and fully leverage the benefits of decentralization.

The tangible outcomes witnessed at the conference, particularly the signing of new city-twinning agreements, served as a powerful symbol of the collective commitment to turning discussion into concrete action. These partnerships are not just rebuilding Ukraine; they are weaving a stronger, more interconnected, and more resilient European fabric for the generations to come.

Special thanks

ALDA supported with its expertise the Ukraine Recovery conference 2025 for the Local and Regional Dimension. It was a challenging and greatly interesting experience.

A special thank you goes to Italian Special Envoy for Reconstruction of Ukraine, Davide La Cecilia, for his guidance, capacity, resilience and deep dedication to the cause. Thank you to all his team, in particular ALDA's day to day reference, Alberto Rini. In ALDA, apart from the coordination and inputs of the Secretary General, Antonella Valmorbida, the expertise was given by the Ukraine Representative, Khrystyna Kvarstiana and all the team in ALDA, in particular Anastasia Buslaieva and Vyacheslav Yefumenko, who all worked under great pressure and difficult circumstances, like all Ukrainian citizens these days.

The team of the Ministry for Development of Communities and Territories, under the leadership of Vice Minister Oleksii Riabykin, was really an amazing asset of the local and regional component.

The support of U Lead for Europe and his team leader never missed in terms of support, advices and concrete help. Thank you Bastian Veigel.

A special thanks goes to the members of ALDA in Ukraine, which contributed greatly to collect information about the needs of local communities and that came with ideas and concrete contribution and finally to the Governing Board of ALDA, that – despite very little resources available for Ukraine – has decided to support greatly the flagship and invest therefore ALDA's own resources being convinced of the importance of this part of our work to support local democracy and human rights.