



Ensuring a decentralised reconstruction process for Ukraine

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#UkraineAlliance

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Recommendations to the Ukraine Recovery Conference 2024 for a decentralised recovery and reconstruction of Ukraine

More than two years after the Russian Federation's unprovoked aggression against Ukraine, the European Committee of the Regions and the European Alliance of Cities and Regions for the Reconstruction of Ukraine stress the importance and impact of effective decentralisation in empowering local self-government and enabling territorial communities to resist the full-scale invasion, to remain resilient and continue delivering public services in the face of attacks, massive population movements, the trauma of war and loss of income. Underlining the need to further strengthen Ukraine's resilience from the bottom up, they recommend to the Berlin Ukraine Recovery Conference 2024 (URC 2024) the following:

1. Develop a clear and operational concept for the decentralised recovery and reconstruction of Ukraine, tailored to the needs and capacities of local and regional self-government, taking into account the country's tangible EU membership perspective, as well as building on the Ukraine Facility and the related Ukraine Plan;
2. Recognise that subnational authorities are best placed to lead the recovery and reconstruction efforts on their territories, given their entrenched knowledge of the needs, challenges and potential of the local and regional economies, and empower them to exercise this role by: (a) ensuring their meaningful involvement in the planning and implementation of reconstruction and recovery efforts and the decision-making process on all matters which concern them directly, and (b) supporting intensive capacity-building measures that will enable them to prepare and implement essential recovery actions;
3. Invite the international donor community to support Ukraine to meet the conditions for effective decentralisation and to continue with the implementation of multi-level governance reforms in line with the European Charter of Local Self-Government, ensuring the necessary financial and technical assistance throughout the process; foresee mechanisms for engaging civil society in a meaningful way at all stages of recovery and reconstruction and encourage practices of

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participatory democracy and citizens engagement at local level, in line with the principles of democratic participation and multi-stakeholder engagement agreed in Lugano¹;

4. Stress the need to strengthen the rule of law at all levels of government and encourage Ukraine to adopt legislation clearly defining the powers, tasks, responsibilities and resources assigned to different levels of government based on the subsidiarity principle, including but not limited to urban development, as well as good multi-level governance; Ukraine should be encouraged to grant legal personality to municipalities under public law (based on European practices) to improve the internal organisation and management of municipalities and ensure greater accountability and transparency in business relations;
5. Affirm that integrity, transparency and accountability at all levels are essential for a successful and inclusive recovery and reconstruction process and for Ukraine's future accession to the EU; encourage Ukraine to guarantee judicial protection of rights of individuals and legal entities and establish proportionate oversight and auditing mechanisms of the decisions of subnational authorities, enhancing legal certainty and taking due account of local needs in funding allocation, in line with the European Charter of Local Self-Government;
6. Insist that Ukrainian authorities set (by law) basic conditions (criteria, evaluation, decision-making) for the transition from the current military governance to civilian multi-level governance when the security situation allows striving to fully restore the functions of local self-government; call for the organisation of universal, free and fair elections, as soon as possible, in an environment in which the safety and security of electors, campaigners and the election process is prioritised;
7. Strengthen fiscal decentralisation and giving sub-national levels of government the capacity to mobilise revenue, as essential elements of a multi-level governance system; ensure a distribution of fiscal revenue that is proportionate to the competences and responsibilities of these subnational authorities and safeguard the freedom of local self-government to regulate and manage public affairs in the interests of the local population; priority financial support should be given to the most war-affected and financially vulnerable municipalities. including through dedicated recovery programmes; support the creation of a coordination mechanism that ensures the systematic involvement of regional and local authorities, especially regions under partial occupation, in the development, programming and implementation of recovery policies;
8. Establish a transparent and accessible mechanism that actively empowers Ukrainian sub-national authorities to apply for and secure direct international funding, as well as support their capacity to manage international funding effectively, efficiently and in a transparent manner, fostering local and regional sustainable economies, business development and innovation, in line with the 'build-back-better' approach, underpinning a green reconstruction;
9. Promote and facilitate region-to-region, city-to-city cooperation and twinning with European and international peers, as integral elements in Ukraine's recovery process and effective ways to develop capacities, while strengthening the solidarity between peoples; foster peer-to-peer

¹ [Conference materials \(urc-international.com\)](https://www.urc-international.com) – in particular principles 4 and 5.

collaboration and support the provision of technical assistance and exchange of best practices between subnational actors from donor countries and Ukraine; encourage both the development and implementation of pilot projects and the creation of broader investment schemes, involving a larger group of territorial communities and regions, as well as knowledgeable stakeholders to ensure impact;

10. Encourage the Ukrainian authorities to introduce a legal framework for metropolitan governance enabling to institutionalise development strategies of metropolitan areas;
11. Mobilise public and private investment to reconstruct Ukraine both at the international and national levels, underpinned by war-related investment guarantees for private investors and complemented by awareness-raising initiatives to highlight support available under the Ukraine Investment Framework (Pillar II) of the Ukraine Facility;
12. Underline the need for a regional policy in Ukraine that takes into account not only the internal cohesion challenges and the different realities created on the ground by Russia's full-scale invasion, but also Ukraine's road towards EU accession; in this context and building on the Ukraine Facility approach, support the early introduction of key principles and methodologies that are characteristic of the EU's regional policy, such as the partnership principle and the nomenclature of territorial units for statistics (NUTS) system; establish a coordination mechanism ensuring the systematic involvement of regional and local authorities in policy design, programming and implementation; take due account of the role of social partners and civil society organisations;
13. Reflect the Sustainable Development Goals (SDGs) in Ukraine's recovery model and support their implementation at regional and local level, including by inviting the Ukrainian authorities to ensure synergies between the updated State Strategy for Regional Development and regional and local development strategies, which include cultural, educational, social, economic and spatial development aspects based on a people-centred approach;
14. Encourage donors to pay attention to the way the war affects all four identified functional types of territory: (i) recovery territories; (ii) regional growth poles; (iii) territories with special conditions for development; and (iv) territories of sustainable development; support peri-urban and small rural communities to develop partnerships and enable them to actively participate in programmes; underline the need for strategic investments facilitating the restoration of the natural capital of Ukraine and the introduction of innovative agricultural and sustainable food production practices; considering the extensive contamination of certain parts of the Ukrainian territory with landmines, explosive remnants of war and other hazardous elements, actions to restore lands for productive use should be prioritised; acknowledge that facilitated access to finance for farmers, SMEs, and micro-enterprises will be crucial for a sustainable rural development;
15. Foster sustainable security and create incentives and support measures allowing refugees and internally displaced persons to return to their places of origin; rebuilding social cohesion will rely on a strong priority given to upholding and implementing human rights at the local level and the provision of care, physical and mental rehabilitation, as well as social protection,

including the availability of housing, involving the whole spectrum of society in the reconstruction process with particular regard to vulnerable groups;

16. Promote dedicated university programmes, vocational training and support to youth and female entrepreneurship, as well as programmes for the reintegration of internally displaced persons and veterans into the civilian labour market; support innovative and proactive approaches to employment, opening new possibilities for all citizens, in order to ensure that the current and future workforce have the skills required to contribute to the recovery and reconstruction of Ukraine;
17. Consider the European Committee of the Regions' proposal in the context of its opinion on the Ukraine Facility² to provide for the creation of a territorial component within the Multi-Agency Donor Coordination Platform, in which the European Alliance of Cities and Regions for the Reconstruction of Ukraine could play a coordinating role.

²

Opinion of the European Committee of the Regions on the Ukraine Facility, adopted unanimously on 11 October 2023 and published in the Official Journal of the European Union on 22.12.2023, C/2023/1332, amendment n. 7.