

DOI <https://doi.org/10.30525/2592-8813-2026-1-33>

REFORMING THE LOCAL SELF-GOVERNMENT MODEL IN THE CONTEXT OF UKRAINE'S EUROPEAN INTEGRATION

Liudmyla Kormych,

*Doctor of Historical Sciences, Professor,
Head of the Department of Political Theories,
National University "Odesa Law Academy" (Odesa, Ukraine)
ORCID ID: 0000-0002-6417-8620
l.kormych@gmail.com*

Leonid Voznenko,

*Postgraduate Student at the Department of Political Theories,
National University "Odesa Law Academy",
Deputy, Member of the Standing Committee on Land Relations, Administrative-Territorial
Organization and Housing and Utilities,
Odesa District Council (Odesa, Ukraine)
ORCID ID: 0009-0006-2477-0984
l.v.voznenko@gmail.com*

Abstract. The article explores the reform of the local self-government model in Ukraine in the context of European integration, emphasizing the shift from formal decentralization to real institutional capacity of territorial communities. The study analyses European approaches to strategic local development, municipal engagement in EU policies and programs, institutional capacity audits, and the implementation of the subsidiarity principle. Special attention is given to local development strategies, municipal offices of European integration, and capacity assessment as instruments for strengthening local governance and supporting post-war reconstruction. Drawing on EU practice and OECD and Council of Europe recommendations, the research argues for an integrated decentralization model that combines delegated competences with adequate financial, human and institutional resources. The findings highlight that alignment with European governance standards enhances sustainable territorial development, public service quality and Ukraine's integration into the European system of local and regional governance.

Key words: local self-government, European integration, institutional capacity, subsidiarity principle, political processes.

Introduction. Reforming the local self-government model in the context of Ukraine's European integration is a strategic process aimed at forming an effective, democratic, and capable system of local governance that meets European governance standards and the principles of subsidiarity, municipal autonomy, and public accountability. This process is based on transforming institutional foundations, improving the territorial organization of government, strengthening human resources, and modernizing mechanisms for financial support for communities. Of particular importance are strategic planning tools, digital transformation of municipal governance, expanding citizen participation in decision-making, development of inter-municipal partnerships, and integration into European platforms for municipal cooperation.

In the context of European integration, local government is considered not only an administrative structure but also a full-fledged subject of territorial development, capable of formulating local policies, implementing economic, social, environmental, and innovative projects, and ensuring the quality of life of the population. The governance model acquires features of service, network, and partnership, involving a balanced combination of public administration, public interaction,

and local initiative. The change in the role of local government is accompanied by the modernization of management approaches, the introduction of result-oriented budgeting tools, integrated spatial planning, e-government, municipal marketing and innovative Smart City technologies.

Research objective. The purpose of the study is to substantiate directions for reforming the local self-government model in Ukraine in the context of European integration by analyzing European approaches to strategic community management, institutional support for European integration processes, the assessment of the institutional capacity of local self-government bodies, and mechanisms for implementing the principle of subsidiarity. The study aims to develop practical recommendations for increasing the capacity of territorial communities and their integration into the European space for local and regional policy.

Methodology. The methodological basis of the study is a complex of general scientific and special methods of cognition. In the process of work, institutional and systemic approaches were used to analyze the model of local self-government as a component of a multi-level system of public administration. The comparative legal method was used to compare Ukrainian and European practices of municipal governance and to generalize the approaches of the European Commission, the OECD, the Council of Europe, and other international institutions.

The empirical basis of the study comprises analytical reports of international organizations, regulatory legal acts of the EU and Ukraine, materials from international technical assistance programs, and the practice of the European Union member states. Methodology also utilized the structural-functional method, elements of policy analysis, and a descriptive-analytical approach to form conclusions and recommendations.

Results. The reform of the local self-government model in Ukraine is gradually moving from formal decentralization to real institutional capacity of communities. Orientation to European standards involves the development of local democracy, transparent governance, accountability, public participation and ensuring a balance between community autonomy and state regional development policy. In the future, such a transformation will create conditions for strengthening municipal competitiveness, increasing investment attractiveness, forming sustainable territorial communities, and establishing the European model of local governance in Ukraine.

Strategic planning at the local level. The introduction of a model of strategic community management, with the mandatory development and implementation of a Local Development Strategy coordinated with the regional and national objectives of the EU Cohesion Policy, is one of the basic directions of modernizing local self-government in Ukraine. In EU practice, territorial development is planned through comprehensive, integrated strategies that combine spatial, economic, social and environmental dimensions and serve as the basis for attracting cohesion policy funds. The European Commission and the JRC emphasize that interventions in the development of territories should be based on local strategies that comply with the cohesion policy framework and ensure consistency between community, state, and EU goals (European commission, 2020).

The experience of EU Member States demonstrates that systematic strategic planning at the local level is becoming a condition for access to European funds. For example, in Poland, municipalities are developing commune development strategies, which are the basis for the selection of projects financed by cohesion policy funds in 2021–2027. The OECD, in its report on local governance in Poland, emphasizes that it is the ability of local governments to formulate and implement quality development strategies that determines the effectiveness of the use of EU investments and the impact on the well-being of residents (OECD, 2021).

Similar approaches are being promoted in Ukraine: international technical assistance programs (in particular, U-LEAD with Europe) emphasize that integrating rural development priorities and EU standards into community strategic documents allows for the systematization of local needs and opens access to a broader range of financial instruments (Volokhatyi, 2023).

For Ukraine, especially in the context of reconstruction, strategic community management acquires applied meaning; it is about the transition from “project thinking” to the full cycle of development management – from diagnostics and analysis of community potential, formation of vision and goals, definition of priorities and indicators to launching a portfolio of projects, monitoring and adjustment. The OECD, in its study on strengthening regional and municipal capacity in Ukraine, notes that communities with clearly formulated strategies are better able to attract investments, coordinate actions with state bodies more effectively, and demonstrate greater resilience to shocks. In this context, the recommendation to introduce a mandatory Local Development Strategy, consistent with regional strategies and the objectives of the EU cohesion policy, does not mean the formal appearance of yet another document, but the construction of a systemic management tool on which the quality of infrastructure restoration, human capital development, business attraction and donor resources depend.

Such a model can serve as a “framework” for the entire municipal policy; the community receives not a random set of projects but a logically ordered vision of development for the medium and long term. This creates the prerequisites for:

- coherence of decisions at the local, regional and national levels;
- transparent selection of priorities and projects to be financed;
- reasoned work with donors and international partners;
- systematic monitoring of results, not just the resources used.

At the same time, such a recommendation requires support: a standardized methodology for developing community strategies, staff training, digital monitoring tools, and precise requirements for harmonizing local documents with regional strategies, the State Strategy for Regional Development, and the priorities of the EU cohesion policy. Under such conditions, the Local Development Strategy becomes an effective tool for Ukraine’s integration into the European space of regional policy, rather than a formal requirement.

Municipal offices of European integration of communities. The creation of municipal offices of European integration (Local EU Desks) within local self-government bodies should be considered a separate institutional tool for deepening community participation in European policies, programs, and cooperation networks. The idea of local “European offices” is also indirectly enshrined in the practice of EU institutions; the European Parliament’s resolutions on enlargement and neighborhood policy emphasize the need to create local EU Desks and EU coordinators to strengthen administrative capacity at the local level and better interaction with EU institutions (European Parliament, 2020). A similar logic is demonstrated by the Eurodesk network, which operates through local information points in municipalities, youth centers, and NGOs in 36–37 European countries; these points act as intermediaries between the EU and communities, providing information on programs, opportunities, and financial instruments (Eurodesk, 2018).

For Ukraine, which is moving towards full EU membership, European integration offices at local government bodies can become a structure that:

- coordinates community participation in Interreg, URBACT, Erasmus+, Horizon Europe, LIFE programs;
- supports the preparation and implementation of grant applications;
- develops partnerships with twin cities and networks such as CEMR, PLATFORMA, UCLG Europe;
- ensures communication with the EU Committee of the Regions (CoR) and national associations of local governments.

The practice of CEMR demonstrates that at the European level, it is the national associations of local and regional authorities and their member municipalities that use specialized structures to work with the European agenda: monitoring policies, participating in legislative processes, coordinating international projects, and training officials (NALRGE, 2019). In the Ukrainian context, this

logic is already partially implemented through initiatives such as “Bridges of Trust” and the EU–Ukraine Municipal Partnerships Forum, which bring together Ukrainian and European communities to collaborate on reconstruction, exchange experiences, and support the EU accession process (VLex, 2026). In addition, the Committee of the Regions and programs such as TIPS4UA and the CoR–U-LEAD joint projects are creating institutional mechanisms for internships, training and partnerships for Ukrainian municipalities (EU Neighbors east, 2025).

From the standpoint of applied analysis, it is advisable to consider the municipal office of European integration as a permanent coordination center rather than a temporary “project group”. Such an office can perform at least several functions:

- analytical and coordination, monitoring of programs, competitions, EU grant opportunities; preparation of analytical notes for community leadership; coordination of local projects with regional and national planning documents;
- project and grant, complete cycle of work with projects, from idea to reporting; formation of a portfolio of projects for cohesion policy and other funds;
- communication and diplomatic, development of networks of twin cities, participation in CEMR, CoR forums, European conferences of local authorities, support of the international image of the community;
- educational and consulting, training of municipal employees, interaction with business and the public sector on the use of European instruments, information work with youth according to the Eurodesk InfoPoints model.

The creation of such offices helps avoid the fragmented, episodic nature of community participation in European programs. In the absence of an institutional “entry point” into the European space, municipalities often depend on external initiators (donors, partners, consultants) and lose consistency in building a project portfolio. The European Integration Office makes this activity part of ongoing management practice, rather than a one-time activity. This, in turn, increases the predictability of development, strengthens the sustainability of partnerships, and lays the foundation for long-term community participation in the policy of cohesion and reconstruction of Ukraine in a European format.

Audit of the institutional capacity of communities. The introduction of a mandatory audit of institutional capacity in communities is a key element of modern European municipal policy, as institutional capacity determines local governments' ability to plan development, use resources efficiently, ensure the quality of public services, and attract external funding, including EU cohesion policy funds. In the countries of the European Union, the audit of municipal capacity is carried out not as a control intervention, but as a mechanism to improve the quality of management (quality management) and the strategic maturity of local authorities.

The European Commission and the OECD emphasize that a systematic assessment of the institutional capacity of communities should cover four key dimensions: organizational and managerial (governance), financial, digital and service. Such audit models are implemented through the CAF (Common Assessment Framework) (Eupan, 2026), the SIGMA/OECD (2026) Public Governance Review model, the Institutional Capacity Assessment (ICA) system (IDB, 2026) for EU regional policy, and the ISO 37120 (Sustainable Cities Indicators) (2018). The OECD report “Rebuilding Ukraine through Strengthening Regional and Municipal Governance” (2023) states that the audit of community capacity is becoming a prerequisite for their participation in reconstruction, international partnerships, and attracting donor funds.

Practical examples demonstrate that such audits have become mandatory in Poland (Local Government Capacity Index, LGCI) (World bank group, 2026), Estonia (Municipal Capability Assessment System) (World bank group, 2026), Lithuania (Institutional Resilience and Readiness Audit), and are also being implemented in Romania and Croatia to assess the readiness of municipalities to manage EU funds.

For Ukraine, the implementation of such an audit will mean a transition to a European model of governance, where each community does not merely have formal status but also demonstrates the real ability to manage the development of its territory. This is especially relevant in the context of post-war reconstruction, when donors and international organizations (USAID, GIZ, U-LEAD, CoE) support communities that can demonstrate their capacity through transparent assessment tools. A mandatory audit also creates a basis for municipal ranking, the formation of regional capacity maps and the identification of communities that require priority support.

The institutional audit will not be a punitive mechanism but a support tool. It will allow:

- to identify weaknesses in the resource management system;
- to identify needs for staff training and digital transformation;
- to form a strategy for increasing the competitiveness of the community;
- to increase the trust of the population, business and international partners.

The transition to a systematic audit practice will allow communities to act not reactively, but strategically, gradually forming a management model compatible with European standards of good governance, sustainable territory, and resilient municipalities.

Implementing the principle of subsidiarity. Improving the mechanisms for implementing the principle of subsidiarity involves not only the formal delegation of functions to local governments, but also their real ability to perform these tasks at the appropriate level. In European municipal practice, this principle is considered a comprehensive system that includes the transfer of powers, along with financial resources, management personnel, digital tools, and institutional support. After all, the transfer of functions without adequate resources turns decentralization into a mere declaration and does not strengthen the community's territorial capacity. The European Charter of Local Self-Government emphasizes that the scope of powers of local governments should be “adequate to their resources”, and the state should provide an environment in which these powers can be implemented effectively (Articles 4, 9) (Oficijni viznik Ukrajini, 2015). The Council of Europe's report on the evaluation of the implementation of the Charter in Central and Eastern European countries emphasizes that a mature subsidiarity model involves the transfer not only of functions but also of operational autonomy, human resources, and strategic planning mechanisms (Council of Europe, 2018).

The Polish experience shows that the local government reform after 1999 succeeded thanks to the so-called three-level subsidiarity package:

- administrative transfer of powers;
- consolidation of financial instruments (taxes, subventions, grants);
- training of managers and creation of institutional support through voivodeship development centers and municipal agencies. The OECD, in its report “Ensuring the effectiveness of decentralization” (2019), emphasizes that the effectiveness of decentralization depends on the extent to which local governments are provided with resources, not just rights.

Ukraine has already made significant steps towards primary decentralization, but the principle of subsidiarity is still partially applied. A significant number of communities have been given functions in the fields of education, medicine, urban development, and social policy, but are not provided with appropriate finances, professional staff, and technical means. There is a lack of institutional support tools, such as regional centers for municipal expertise, digital transformation or project management. This leads to communities being forced to rely on centralized solutions, which actually reduce territorial autonomy.

Improving the implementation of the subsidiarity principle in Ukraine requires the formation of an integrated approach, which includes:

- development of clear mechanisms for the transfer of powers together with regulatory financial sources (tax revenues, intermunicipal subventions, grant funds, property resources);
- creation of municipal training and consulting centers that will provide training for management personnel (based on the Polish, German, Estonian models);

- digital support for management and administration of services (e-government, GIS platforms, CRM for communities);
- formation of institutional models of cooperation between communities, especially in the fields of medicine, education, ecology, mobility, and waste management.

Subsidiarity should work not as a formal sign of decentralization, but as a practical mechanism that allows communities to truly manage development and not depend on constant political or financial intervention from the center.

Conclusions. The reform of the local self-government model in Ukraine in the context of European integration is a complex, multidimensional process aimed at transforming territorial communities into capable, autonomous, and development-oriented actors of public governance. The study demonstrates that the transition from formal decentralization to adequate institutional capacity requires the systematic implementation of European approaches to municipal governance, grounded in the principles of subsidiarity, strategic planning, institutional accountability, and partnership.

The analysis confirms that the introduction of mandatory local development strategies aligned with regional, national and EU cohesion policy objectives constitute a fundamental precondition for effective territorial development. Strategic planning enables communities to move from fragmented project-based activities to a coherent management cycle, strengthens coordination between different levels of governance and improves access to European financial instruments.

The establishment of municipal offices of European integration is substantiated as an effective institutional mechanism for deepening community involvement in EU programs, networks, and policy processes. Such offices contribute to the professionalization of project management, the development of international partnerships and the institutionalization of European integration at the local level.

The research also highlights the critical importance of introducing a mandatory audit of community institutional capacity as a tool to improve governance quality, ensure transparency, and enhance readiness for post-war reconstruction. European audit models demonstrate that capacity assessment should be oriented towards development and support rather than control, forming a basis for targeted assistance and evidence-based decision-making.

Furthermore, the study emphasizes that the effective implementation of the principle of subsidiarity in Ukraine requires not only the delegation of competences but also the provision of adequate financial, human and institutional resources. An integrated approach to subsidiarity strengthens territorial autonomy, reduces dependency on centralized decision-making and enhances the sustainability and resilience of local governance.

Overall, the findings confirm that the modernization of local self-government in Ukraine, grounded in European standards and practices, creates the necessary conditions for strengthening democratic governance, improving the quality of public services and ensuring sustainable territorial development. The proposed institutional and policy recommendations may serve as a practical framework for advancing Ukraine's integration into the European model of local and regional governance.

References:

1. Handbook of territorial and local development strategies. European Commission. Retrieved from: <https://territorial.ec.europa.eu/sustainable-development/strategies/handbook-ter/introduction#the-chapter> (Accessed: 13.11.2025)
2. Better Governance (2021). Planning and Services in Local Self-Governments in Poland, OECD Publishing, Paris. Retrieved from: <https://doi.org/10.1787/550c3ff5-en> (Accessed: 23.11.2025)
3. Volokhatyi, S. (2023). Updated initiative “Steps for Specialists. Designing a Municipal Development Strategy” is launched. U-lead. Retrieved from: <https://www.u-lead.org.ua/en/news/191> (Accessed: 23.11.2025)

4. European Parliament (2020). Resolution of 29 November 2018 on the 2018 Commission Report on Albania (2018/2146(INI)). Official Journal of the European Union, C 363, 15.10.2020. Retrieved from: <https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=OJ:C:2020:363:FULL> (Accessed: 24.11.2025)
5. All you want to know about Eurodesk: FAQ (2018). Eurodesk. Bruxelles. Retrieved from: https://www.mobilnost.hr/cms_files/2018/09/1537196918_faq-eurodesk-2018.pdf (Accessed: 24.11.2025)
6. National associations of local and regional governments in Europe (2019). A study on the CEMR and its members. Retrieved from: https://ccre-cemr.org/wp-content/uploads/2024/04/CEMR_study_association_local_government_EN.pdf (Accessed: 24.11.2025)
7. Local Government in Poland. VLex. Retrieved from: <https://eu.vlex.com/vid/local-government-in-poland-394138966> (Accessed: 05.11.2025)
8. EU launches programme for Ukrainian municipal leaders and officials (2025). EU Neighbours East. Retrieved from: <https://euneighbourseast.eu/news/latest-news/eu-launches-programme-for-ukrainian-municipal-leaders-and-officials> (Accessed: 24.11.2025)
9. CAF – Common Assessment Framework. Eupan. Retrieved from: <https://www.eupan.eu/caf/> (Accessed: 24.11.2025)
10. SIGMA (Support for Improvement in Governance and Management). Reforma derzhavnoho upravlinnya. Retrieved from: <https://par.in.ua/good-governance/sigma> (Accessed: 24.11.2025)
11. Institutional Capacity Assessment. IDB. Retrieved from: <https://cursos.iadb.org/en/programs/olp/area-specialization/institutional-capacity-assessment> (Accessed: 24.11.2025)
12. DSTU ISO 37120:2019 Stali mista ta gromadi (2018). Pokazniki miskih poslug i yakosti zhittya (ISO 37120:2018, IDT) [Indicators of urban services and quality of life (ISO 37120:2018, IDT)]. Budstandart. Retrieved from: https://online.budstandart.com/ua/catalog/doc-page.html?id_doc=88065 (Accessed: 24.11.2025) [in Ukrainian]
13. Rebuilding Ukraine by Reinforcing Regional and Municipal Governance (2023). Recovery of Ukraine. Retrieved from: <https://recovery-ukraine.org/en/reports/rebuilding-ukraine-by-reinforcing-regional-and-municipal-governance/> (Accessed: 24.11.2025)
14. The local governance performance index (LGPI) (English). World Bank Group. Retrieved from: <https://documents.worldbank.org/en/publication/documents-reports/documentdetail/196591468197374514/the-local-governance-performance-index-lgpi> (Accessed: 24.11.2025)
15. Municipal Institutional Capacity Assessment (MICA): a diagnostic toolkit to enable sustainable development at the municipal level informs project preparation. World Bank Group. Retrieved from: <https://www.worldbank.org/en/news/feature/2019/09/12/mica-a-diagnostic-toolkit-to-enable-sustainable-development-at-the-municipal-level-informs-project-preparation-drmhubtokyo> (Accessed: 24.11.2025)
16. Yevropejska hartiya misceвого samovryaduvannya (perekład) (2015). [European Charter of Local Self-Government (translation)]. Oficijnij visnik Ukrayini. № 24. Retrieved from: https://zakon.rada.gov.ua/laws/show/994_036#Text (Accessed: 24.11.2025) [in Ukrainian]
17. European Charter of Local Self-Government (ETS No. 122) (1985). Council of Europe. Strasbourg: Council of Europe. Retrieved from: <https://rm.coe.int/168007a088> (Accessed: 09.11.2025)
18. Making Decentralisation Work (2019). A Handbook for Policy-Makers. Retrieved from: https://www.oecd.org/en/publications/making-decentralisation-work_g2g9faa7-en.html (Accessed: 24.11.2025)