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MUNICIPAL READINESS FOR EU CLIMATE ACTION IN WARTIME UKRAINE

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Ukraine's recovery and EU integration are unfolding amid conditions of war, placing Ukrainian municipalities at the centre of implementing climate and reconstruction policies. This article examines municipal readiness for EU-funded climate initiatives, drawing on evidence from the Horizon Europe-funded project Ukraine towards Carbon Neutrality. The analysis highlights how cities continue to advance climate strategies, develop project pipelines, and engage in international cooperation despite wartime constraints. While strategic alignment with European climate policy is progressing, limited municipal financing and uneven institutional capacity remain key barriers.

Context: War, Ukraine's Recovery and European Integration

Ukraine's European integration has entered an unprecedented phase, as the country simultaneously pursues EU accession while managing the large-scale wartime destruction following Russia's full-scale invasion in 2022¹. In this context, recovery is no longer limited to restoring damaged infrastructure but is increasingly framed as an opportunity to align Ukraine's development trajectory with European policy frameworks. It has therefore become closely linked to broader objectives such as climate transition, energy security, and sustainable urban development.

European institutions and international partners have repeatedly emphasised that Ukraine's recovery should follow a 'build back better' principle². This approach promotes the integration of climate-neutral development pathways, resilient infrastructure systems, and sustainable urban planning into reconstruction and recovery strategies. The European Green Deal and related climate governance frameworks are particularly influential in shaping these discussions³. For Ukraine, aligning its reconstruction efforts with these frameworks is not only an environmental priority but also a central component of institutional convergence with the European Union.

1 OECD, Consolidating Ukraine's Recovery Architecture. OECD Publishing, Paris, 2026

2 World Bank (2024). European Commission, United Nations, Ukraine Rapid Damage and Needs Assessment (RDNA3)

3 European Commission. The European Green Deal, 2019, <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52019DC0640>

Implementing these objectives under conditions of war presents significant governance challenges. Municipalities are operating in an environment characterised by infrastructure damage, population displacement, disrupted supply chains, and recurring energy insecurity, resulting from attacks on critical infrastructure. Local governments must simultaneously address emergency response, maintain essential services, and plan for long-term recovery and development. This multi-layered governance context places Ukrainian cities at the centre of the country's wartime resilience and reconstruction processes. At the same time, the cities remain the primary level at which climate and sustainability policies are implemented. Municipal authorities are responsible for urban infrastructure, local transport systems, spatial planning, energy management in public buildings, and environmental services. The capacity of municipalities to design, finance, and implement climate-related initiatives is therefore critical for translating European policy objectives into concrete local action.

Despite wartime pressures, Ukrainian municipalities have continued to engage with international climate initiatives and European cooperation platforms. Many cities have adopted Sustainable Energy and Climate Action Plans (SECAPs), joined the Covenant of Mayors for Climate and Energy, or developed Green City Action Plans, in partnership with international financial institutions⁴. Municipalities are also increasingly involved in European research and innovation initiatives focused on sustainable urban development and climate-neutral transformation. These developments reveal a central paradox

shaping governance under conditions of war: while municipalities face severe resource constraints and operational disruptions, the urgency of reconstruction has accelerated the need for institutional alignment with European policy frameworks and funding mechanisms. Local governments are therefore required to perform a dual function: managing immediate wartime challenges, while preparing for long-term integration into European governance structures.



European institutions and international partners have repeatedly emphasised that Ukraine's recovery should follow a 'build back better' principle

This article addresses this question, by drawing on evidence from the Horizon Europe-funded project 'Ukraine towards Carbon Neutrality' (U_CAN), a multi-partner EU initiative designed to connect Ukrainian municipalities with European climate policy frameworks, pilot actions, and adopt knowledge exchange platforms for climate-oriented recovery⁵ (U_CAN Project, 2024). The insights are based on structured assessments conducted across six Ukrainian cities: Ivano-Frankivsk, Khmelnytskyi, Kyiv, Lviv, Vinnytsia and Zhytomyr, representing diverse regional contexts and governance capacities. Rather than presenting a methodological framework, the article focuses on policy-relevant patterns related to strategic governance, financial capacity, and stakeholder engagement emerging from municipal-level evidence.

4 European Commission, Joint Research Centre, How to develop a Sustainable Energy and Climate Action Plan (SECAP) – Guidebook. Covenant of Mayors, 2018

5 U_CAN Project, Ukraine towards Carbon Neutrality (U_CAN), Horizon Europe Project, 2024, <https://www.ucan-ukraine.eu/>

Capacity: The Strategic and Institutional Readiness of Ukrainian Cities

Ukrainian municipalities are increasingly aligning their development strategies with European climate governance frameworks, even under conditions of war⁶. Across the cities examined, the local authorities continue to formulate strategic plans, adopt sustainability initiatives, and engage in international climate programmes. This suggests that commitment to the climate transition is becoming embedded in municipal planning processes, despite operational disruptions caused by the ongoing conflict.

A common feature across these cities is the presence of formal strategic frameworks that integrate energy efficiency, environmental protection, and urban development objectives. Instruments such as Sustainable Energy and Climate Action Plans, Green City Action Plans, and integrated urban development strategies provide municipalities with structured approaches to emissions reduction, infrastructure modernisation, and environmental resilience⁷. In several cases, these frameworks are complemented by sectoral plans addressing issues such as mobility, energy systems, and waste management. However, this strategic orientation must be understood within the realities of wartime governance. Since the full-scale invasion, municipal administrations have been operating under conditions involving infrastructure damage, energy disruptions, and an increased demand for essential services. The persistence of strategic planning under both the conditions of long-

term recovery and the planned European integration points to institutional resilience, but also highlights the challenge of translating plans into implementation⁸.



A common feature across these cities is the presence of formal strategic frameworks that integrate energy efficiency, environmental protection, and urban development objectives

The differences in institutional capacity across municipalities remain significant. In some cities, climate-related activities are supported by dedicated departments or specialised units responsible for environmental policy, energy management, or urban development. These structures facilitate coordination across sectors, enable the preparation of project proposals, and support the integration of climate objectives into broader planning processes. In other cases, responsibilities for climate action are distributed across smaller teams or embedded within general administrative structures. While this allows for some level of policy integration, it can limit the ability of municipalities to develop coherent, long-term programmes or manage complex, multi-sectoral initiatives. The gap between strategic commitment and administrative capacity, therefore, remains a defining feature of municipal readiness.

Another important dynamic is the role of international cooperation in shaping institutional development. Participation in

6 European Commission, 100 Climate-Neutral Cities by 2030 – by and for the Citizens, 2020,

7 Covenant of Mayors, Sustainable Energy and Climate Action Plans Guidebook, 2023.

8 OECD, Rebuilding Ukraine by Reinforcing Regional and Municipal Governance. OECD Publishing, Paris, 2022, https://www.oecd.org/en/publications/2022/12/rebuilding-ukraine-by-reinforcing-regional-and-municipal-governance_63099658.html

donor-supported projects and European initiatives has enabled municipalities to gain practical experience in project implementation, reporting, and compliance with international standards⁹. This also includes EU-funded initiatives such as the U_CAN project, which support municipal capacity building, pilot development, and knowledge exchange for climate-neutral urban transformation¹⁰. At the same time, wartime pressures continue to constrain institutional capacity. Administrative resources are frequently redirected towards emergency response, infrastructure repair, and support for internally displaced populations. This limits the ability of municipalities to fully operationalise their strategic frameworks, making implementation dependent on external partnerships and project-based interventions.

Constraints: Financing Climate Action under War Conditions

Financial capacity is a decisive factor shaping the ability of Ukrainian municipalities to participate in climate initiatives and implement EU-aligned development strategies under conditions of war.¹¹ While many cities demonstrate clear strategic commitment to climate transition, the availability of financial resources and access to international funding ultimately determine whether these ambitions can be fulfilled in practice. Across Ukrainian cities,

a consistent pattern is the growing reliance on international cooperation as a driver of climate-related investment. Municipalities have accumulated experience through engagement with European institutions, international financial organisations, and development programmes focused on energy efficiency, urban infrastructure, and environmental management^{12,13}. These collaborations have enabled cities to modernise public transport systems, retrofit public buildings, and implement waste management solutions. At the same time, they have contributed to strengthening administrative capacities in project preparation, financial management, and compliance with international funding requirements.



Participation in donor-supported projects and European initiatives has enabled municipalities to gain practical experience in project implementation

This experience represents an important enabling condition for Ukraine's European integration. Participation in European climate initiatives requires municipalities to demonstrate institutional reliability, co-financing capacity, and familiarity with complex procedural frameworks¹⁴.

9 European Bank for Reconstruction and Development, Green Cities Programme Overview, 2022, <https://www.ebrdgreencities.com>

10 European Commission (EC) (CORDIS), U_CAN: Ukraine towards Carbon Neutrality (Grant agreement ID: 101148374). CORDIS – EU Research Results, 1.05.2024, <https://doi.org/10.3030/101148374>

11 European Union, *Regulation (EU) 2021/1119* establishing the European Climate Law, 2021, <https://eur-lex.europa.eu/eli/reg/2021/1119/oj>

12 European Bank for Reconstruction and Development, Green Cities Programme Overview, 2022, <https://www.ebrdgreencities.com>


13 NEFCO, Sustainable Municipal Investments in Eastern Europe, Nordic Environment Finance Corporation, 2023, <https://www.nefco.int>

14 NetZeroCities, Comprehensive Indicator Framework for Climate-Neutral Cities, 2023, <https://netzerocities.eu>

The existing track record of Ukrainian cities suggests that many municipalities are increasingly capable of operating within these systems, positioning them to engage with European funding instruments linked to climate and reconstruction policies. However, the financial context of municipalities is fundamentally shaped by the prevailing wartime conditions. Local budgets are under sustained pressure, as cities prioritise emergency response, infrastructure repair, and social support for internally displaced populations¹⁵. These competing demands limit the fiscal space available for long-term climate investments, and reduce the ability of municipalities to allocate stable funding to sustainability initiatives.

As a result, a structural dependence on external financing has emerged. Climate-related projects are frequently implemented through grants, concessional loans, or technical assistance provided by international partners, with municipal budgets contributing only partial co-financing. While this model enables continued progress in climate action, despite domestic constraints, it also exposes vulnerabilities in local financial systems and limits the autonomy of municipalities in setting long-term investment priorities. This dependence is particularly visible in capital-intensive sectors such as energy efficiency, renewable energy deployment, and urban infrastructure modernisation¹⁶. Many municipalities have initiated projects in these areas, but their implementation remains closely tied to the availability of external funding. Without sustained access to international financing, scaling such initiatives would be significantly constrained.

Wartime conditions further complicate municipal financial planning. Damage to infrastructure, disruptions to local economic activity, and demographic shifts resulting from displacement have weakened local revenue bases in several cities. These dynamics create uncertainty for medium- and long-term budgeting, and reduce the capacity of municipalities to commit to multi-year investment programmes aligned with climate objectives. At the same time, municipalities are not passive recipients of external support. Cities actively seek partnerships, develop project proposals, and integrate climate priorities into broader reconstruction strategies. This proactive engagement reflects a growing recognition that access to European funding mechanisms will be central to enabling climate-oriented recovery and advancing institutional alignment with European policy frameworks.



Climate-related projects are frequently implemented through grants, concessional loans, or technical assistance provided by international partners, with municipal budgets contributing only partial co-financing

A key policy implication emerging from this dynamic is the existence of a financing paradox under the current conditions of war. Ukrainian municipalities are increasingly aligned with European climate objectives and possess growing experience in international project implementation, yet their ability to act is constrained by

15 World Bank, European Commission, United Nations, Ukraine Rapid Damage and Needs Assessment (RDNA3), 2024


16 IEA, Energy Policy Review: Ukraine, International Energy Agency 2022, <https://www.iea.org/reports/ukraine-energy-profile>

limited domestic financial capacity. Bridging this gap will require not only expanded access to European funding instruments but also targeted support for municipal co-financing mechanisms, project preparation capacities, and longer-term financial stability. Strengthening these financial foundations will be critical for ensuring that Ukrainian cities can move beyond project-based interventions towards sustained, programmatic implementation of climate policies. In this sense, municipal finance is not only a technical constraint but a central component of Ukraine's broader pathway toward climate-oriented reconstruction and European integration.

Practice: Governance and Stakeholder Engagement

Effective climate governance at the municipal level depends not only on strategic planning and financial capacity but also on the ability of local institutions to engage citizens, civil society, and knowledge actors in decision-making processes. Participatory governance is a core principle of European climate policy frameworks, particularly in areas related to sustainable urban development, co-production of solutions, and public legitimacy¹⁷. For Ukrainian municipalities operating under conditions of war, the development of inclusive governance structures represents both a challenge and a strategic requirement for European integration.

Across Ukrainian cities, mechanisms for public participation are present but uneven in their level of institutionalisation. Some municipalities have established digital platforms that enable residents



Across Ukrainian cities, mechanisms for public participation are present but uneven in their level of institutionalisation

to submit electronic petitions, participate in consultations, or engage in participatory budgeting processes. These tools create accessible entry points for citizen involvement and allow local authorities to incorporate public feedback into development priorities and environmental policies. Beyond digital participation, collaboration with civil society organisations, universities, and local stakeholders plays an important role in shaping climate-related initiatives¹⁸. In several cities, these actors contribute to awareness campaigns, pilot projects, and knowledge exchange processes. Such cooperation supports the development of locally grounded solutions and enhances the technical and social legitimacy of climate interventions. However, stakeholder engagement often remains project-based rather than structurally embedded within municipal governance systems. In many cases, participation is limited to consultations linked to specific initiatives, while long-term, institutionalised mechanisms for co-creation are less developed. Civil society actors may be active contributors, but their involvement is not always formalised within planning or decision-making frameworks. This results in fragmented participation practices, and limits the continuity of stakeholder engagement in climate governance.

17 European Commission, 100 Climate-Neutral Cities by 2030 – by and for the Citizens, 2020

18 OECD, Strengthening Climate Resilience: Guidance for Governments and Development Co-operation. OECD Publishing, Paris, 2021, <https://doi.org/10.1787/4b08b7be-en>

Wartime conditions further reshape local governance dynamics. Municipal administrations are required to prioritise emergency response, infrastructure repair, and social support, reducing the administrative capacity available for participatory planning. At the same time, public attention is often directed towards immediate security and humanitarian concerns, which can constrain engagement in long-term policy discussions. These conditions create a governance environment in which participation becomes more difficult to organise systematically, even where institutional willingness exists. At the same time, the persistence of engagement initiatives across several cities indicates that municipalities continue to recognise the importance of maintaining dialogue with local communities. Educational programmes, environmental campaigns, and targeted stakeholder consultations remain part of municipal practice, contributing to sustained awareness and incremental participation in climate-related issues, despite the wartime disruptions.

From a policy perspective, stakeholder engagement is not only a procedural element but a critical condition for effective and legitimate climate-oriented reconstruction¹⁹. As Ukrainian cities increasingly access European funding and implement EU-aligned policies, transparent decision-making and inclusive governance structures will be essential for ensuring accountability, public acceptance, and the long-term sustainability of interventions. A key implication emerging from this analysis is that Ukraine's municipal climate governance is developing under conditions where institutional capacity and civic

participation are both constrained yet simultaneously evolving. Strengthening participatory mechanisms, formalising the role of civil society and knowledge actors, and integrating engagement into core planning processes will be necessary to move from project-based consultation towards systemic co-governance. In this context, stakeholder engagement becomes closely linked to Ukraine's broader European integration trajectory. Aligning with European climate policy is not limited to adopting strategies or accessing funding but also involves embedding participatory governance practices that support democratic resilience. Expanding and institutionalising these practices will therefore be central to strengthening municipal readiness for climate action, and ensuring that reconstruction processes remain socially grounded, transparent, and aligned with European governance standards.

Conclusion: Bridging Readiness and Implementation

Municipalities are emerging as central actors in Ukraine's European integration and reconstruction under conditions of war²⁰. While national reforms frame the accession process, the implementation of climate and sustainability policies ultimately depends on the capacity of cities to translate European frameworks into operational urban strategies. This positions local governments at the core of aligning reconstruction with long-term climate-neutral development. Ukrainian cities demonstrate a growing degree of strategic alignment with European climate governance. The adoption of sustainability strategies, energy action

19 United Nations Development Programme, Local Governance and Climate Action, <https://www.undp.org/asia-pacific/social-innovation-platforms/local-governance-climate-action>

20 European Commission, Ukraine 2023 Report, 2023, https://neighbourhood-enlargement.ec.europa.eu/ukraine-report-2023_en

plans, and integrated development frameworks indicates that municipalities are increasingly embedding climate objectives within local planning systems. The continuation of these processes under wartime conditions reflects institutional resilience and a sustained commitment to European-oriented development pathways.

At the same time, a clear implementation gap persists. Institutional capacity remains uneven across municipalities, with differences in administrative structures and technical expertise shaping the ability to coordinate and deliver climate initiatives. Financial constraints further limit implementation. Wartime pressures on municipal budgets, combined with infrastructure damage and shifting expenditure priorities, reinforce reliance on external funding and project-based interventions rather than stable, long-term investment frameworks²¹. Governance dynamics add an additional layer of complexity. While mechanisms for stakeholder engagement are present, they are not consistently institutionalised and are often shaped by the constraints of wartime administration. Municipalities must balance participatory planning with urgent crisis response, limiting the depth and continuity of civic engagement in climate policy processes.

Taken together, these dynamics point to a defining feature of Ukraine's municipal climate governance under the present conditions of war: strategic alignment with European frameworks is advancing, but implementation capacity remains constrained. This gap is not only technical

but structural, shaped by institutional, financial, and governance limitations. From a policy perspective, bridging this gap will require targeted support at the municipal level. Strengthening administrative capacity, improving access to European funding instruments, and institutionalising participatory governance mechanisms will be critical for translating strategic commitments into sustained climate action. In this context, municipalities should be understood not merely as implementers but as key partners in shaping climate-oriented reconstruction.

As Ukraine advances towards deeper integration with the European Union, the effectiveness of this process will depend in part on the readiness of its cities. Supporting municipal capacity under conditions of war is therefore not only a reconstruction priority but a strategic component of Ukraine's broader European integration trajectory.

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21 World Bank. European Commission, United Nations, Ukraine Rapid Damage and Needs Assessment (RDNA3), 2024

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