

MONTHLY MUNICIPAL REPORT – MARCH 2026

Authors:

KSE Institute: Yulia Markuts, Andrii Darkovich, Vladyslav Shymanskyi

KSE University: Tetiana Lukeria



TABLE OF CONTENTS

KEY FINDINGS	2
REGIONAL POLICY AND MUNICIPAL DEVELOPMENT: WHAT'S NEW?	3
FINANCIAL SITUATION IN THE REGIONS: TRENDS IN LOCAL BUDGETS	5
SECURITY SITUATION IN MUNICIPALITIES: STATUS AND TRENDS	9
DAMAGE TO INFRASTRUCTURE	11
INTER-MUNICIPAL COOPERATION	15
INTER-MUNICIPAL COOPERATION	15
INTERNATIONAL COOPERATION	17

KEY FINDINGS

In March, changes to local self-government legislation remained piecemeal and did not form a coherent policy, although individual decisions may have a significant impact on municipalities. Parliament is working on a transition to fixed tariffs for administrative services instead of linking them to social standards, which could change approaches to generating local budget revenue; however, key parameters, in particular the list of services and the fees charged for them, have not yet been agreed. At the same time, municipalities are being offered expanded powers in the field of historic building conservation, and incentives are being introduced to attract international funding through the possibility of additional payments to staff working on projects – these tools open up new opportunities but require greater institutional capacity. The norms governing the work of local self-government bodies are also being clarified, in particular through recommendations on disciplinary liability, which should standardise management practices that are currently inconsistent. The rejection of [the draft law](#) on self-organised municipal bodies retains the complex procedures for their establishment and restricts the development of local democracy. However, a new approach to regional policy, based on the classification of territories (recovery, special development conditions, sustainable development or areas of growth), is gradually being introduced, shaping a more targeted approach to support while increasing municipalities' dependence on state decisions.

Local budget revenues continued to grow, strengthening the financial capacity of municipalities. The main source of this growth remains personal income tax (PIT) against a backdrop of rising wages (including in the public sector – in education and social protection), while excise and property taxes provide an additional boost. The single tax shows more subdued growth, indicating the limited potential of this revenue source. An increase in inter-budgetary transfers also strengthens the resource base of municipalities, though the uneven distribution of these transfers maintains disparities in financial capacity across territories.

In March 2026, there was more damage to civilian infrastructure in municipalities than in February. Over the past year, the intensity of hostilities has increased significantly, and the nature of their impact has changed — the war is increasingly shifting toward a pattern of aerial and drone strikes that affect a much wider range of municipalities beyond frontline areas. The geography of damage is expanding, with a growing number of rural municipalities experiencing sustained impact. The primary damage is concentrated in housing infrastructure. At the same time, a relatively stable group of municipalities is emerging that consistently remains among the most affected month after month, indicating an accumulation of damage and a gradual erosion of their basic capacity.

Inter-municipal cooperation remains active and is taking on practical significance. The number of new agreements has decreased slightly, but the instrument itself is being used more effectively – to provide services, transfer functions and address specific administrative challenges in wartime conditions. Instead of joint projects, municipalities are increasingly opting for joint funding and the delegation of tasks, particularly in the fields of education, social services, healthcare and administration. Geographically, cooperation remains predominantly local, though examples of inter-regional collaboration are emerging, relating to housing, relocation and reconstruction. Inter-municipal cooperation is increasingly being used as a tool to maintain the functionality of municipalities, particularly to support displaced municipalities and critical services, transforming it into a mechanism for survival and mutual reinforcement of municipalities in wartime.

REGIONAL POLICY AND MUNICIPAL DEVELOPMENT: WHAT'S NEW?

The parliamentary committee continues to work on changing the approach to the payment of administrative services. Instead of linking fees to social standards, it is proposed to introduce fixed tariffs and a clear list of basic services. This concerns a draft law intended to establish uniform rules for setting administrative fees, which will directly affect both local budget revenues and the cost of services for the public. Key topics in March include the cost of passport services in the field of migration, notarial services in rural areas, and the registration of property rights. The move to fixed amounts should make the system more predictable and easier to understand, reducing dependence on changes in the subsistence minimum or minimum wage. However, final approaches to fees, particularly for passport services, have not yet been agreed.

Municipalities may be granted additional powers to protect historic buildings – particularly those that do not formally have heritage status but shape local identity. Parliament has adopted [a draft bill](#) in principle that will allow municipalities to independently determine the list of valuable historic buildings and establish rules for their use. In particular, restrictions are envisaged on the reconstruction, change of function or demolition of such properties. At the same time, clearer rules will reduce political risks for investors. Following the adoption of the draft, municipalities will have more tools to preserve the historical environment. At the same time, new powers will also entail an additional burden on municipalities. Within six months after the law enters into force, they will need to compile a list of valuable historical built heritage and approve rules for its use. This will require professional expertise and may provoke conflicts with owners and developers, especially if the criteria for classifying objects as such remain unclear.

The government proposes to increase salaries in local government bodies and bring them closer to those in similar civil service positions. A [draft](#) amendment to [Resolution No. 268](#) has been published, providing for a 15% increase in the basic salaries of certain categories of local government officials and civil servants (updating Annexes 48–53 and 55). For example, a head of department within the council administration in the largest municipalities (over 900,000 people) will have a salary of 315.95 USD, and a head of division – 303.65 USD (instead of 274.74 USD and 264.04 USD respectively). It is also proposed to add the position of state inspector for land use and protection to the list of posts. These changes are expected to help reduce pay disparities between different categories of public service. At the same time, for municipalities, this will mean an increase in local budget expenditure.

It is proposed to create additional incentives for municipalities to attract international funding. The relevant committee recommends that Parliament adopt [the](#) corresponding [draft law](#) at second reading and in its entirety. This concerns the possibility of establishing additional payments to local government employees involved in the preparation and implementation of international technical assistance projects. It is envisaged that such payments will be made from the funds of the projects themselves, without placing an additional burden on local budgets. This should enhance municipalities' capacity to work with grants and engage qualified specialists. The practical impact of these changes will depend on municipalities' ability to attract international funding, which may widen the gap between more and less capable municipalities.

Work is ongoing to amend the rules governing the operation of local councils to ensure they can function effectively under martial law. This concerns municipalities where the 2020 elections were held under a first-past-the-post system and where, due to

mobilisation or the termination of councillors' mandates, the councils are unable to operate. [The draft law](#) provides for the introduction of a special procedure for the operation of councils during the war and for six months after its conclusion: a reduction in the quorum requirements (half of the council composition is sufficient), allowing one-third of deputies to convene a session, introducing more flexible decision-making rules, and removing requirements for the mandatory participation of deputies serving in the military. The relevant committee recommended that Parliament adopt the document as a basis. It is expected that this will prevent the work of municipalities from being blocked, though such changes may reduce the level of representation and increase the risk of decision-making being concentrated among a smaller number of councillors.

An attempt to update the rules governing the work of community self-organisation bodies (CSOs) has failed – [the relevant bill](#) was not supported at second reading and was not even sent back for further drafting. The initiative was intended to adapt the activities of CSOs to the new administrative-territorial system and wartime conditions. Key changes included simplifying establishment procedures, clarifying powers and areas of operation, and establishing clearer rules for interaction with local authorities. In the current situation, this means continued legal uncertainty for municipalities: the complex procedures for establishing OSNs remain, whilst opportunities for systematic cooperation with local authorities are limited. At the same time, the absence of updated rules hinders the development of local democracy and grassroots initiatives, which could play a particularly important role in resolving local issues in wartime conditions. This decision postpones the reform of local self-government bodies indefinitely and preserves the status quo, which no longer meets current challenges.

The government continues to implement a new approach to regional policy – the classification of municipalities by functional types of territory depending on their development conditions. This involves classifying municipalities into recovery territories, territories with special development conditions, sustainable development territories, and regional growth poles. This approach was put into practice in February, and in March the Government classified municipalities into these categories based on a unified system of criteria and data from state bodies. Currently, [885 municipalities](#) have been classified as territories with special development conditions. This classification is intended to form the basis for more targeted state support, where resources are directed according to the needs of specific territories. For municipalities, this means a shift towards more targeted funding, but also dependence on a specific category and the support instruments that the state will link to each type of territory.

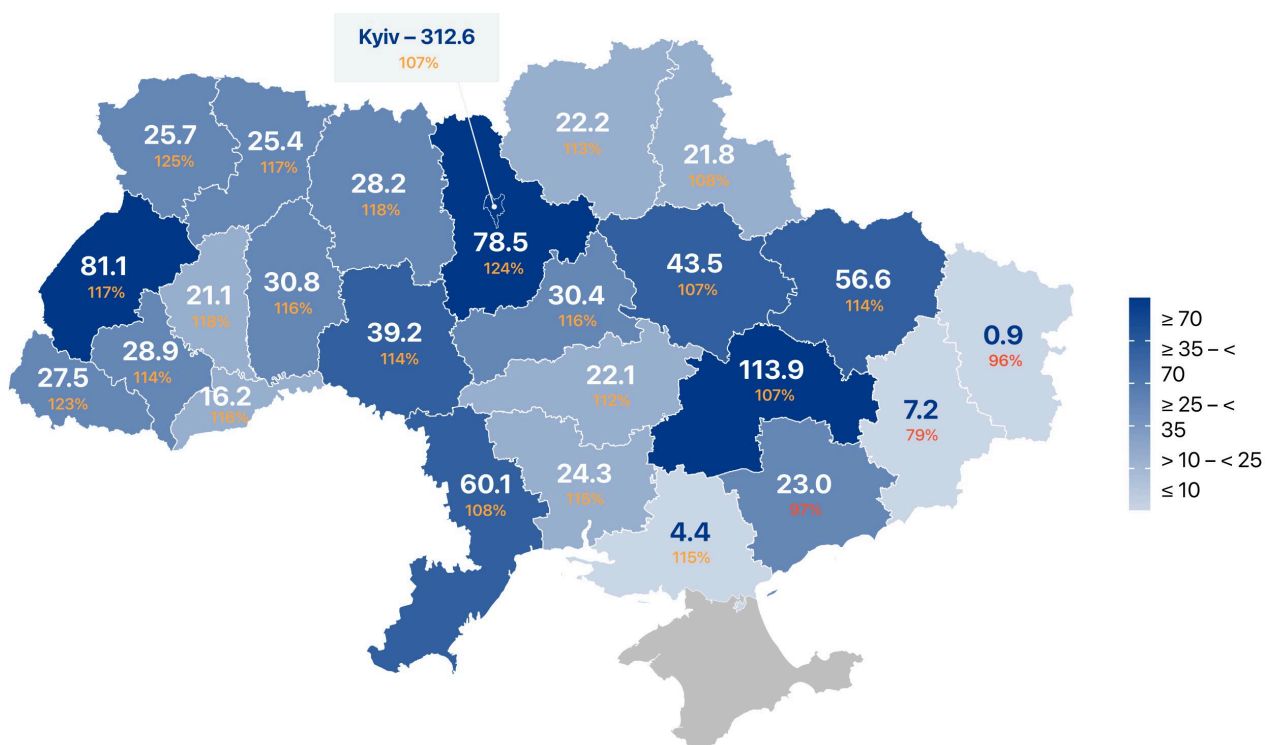
Municipalities are being offered a uniform framework and procedures for handling cases of disciplinary liability of local government officials. The National Agency of Ukraine on Civil Service (NACS) has approved [methodological guidelines](#) for implementing the new Law "On Service in Local Self-Government Bodies", which are intended to help managers and HR departments correctly apply the provisions of disciplinary law. The document outlines the entire process step by step – from identifying a violation to reaching a decision – defines the roles of participants and contains templates for the necessary documents. In practice, this means a more standardised and predictable approach to holding officials accountable. Clear procedures should reduce the risk of errors, appeals and internal conflicts, as well as better protect the rights of civil servants during the disciplinary process. At the same time, the guidelines are advisory in nature, so their actual application will depend on the approaches and practices of municipalities.

FINANCIAL SITUATION IN THE REGIONS: TRENDS IN LOCAL BUDGETS

In March 2026, compared to March 2025, general fund revenues of local budgets (excluding inter-budgetary transfers) increased by 11.5%. In hryvnia terms, the increase amounted to 17,8% which is 1.9 times higher than the inflation rate of 9.5% (March 2026 compared to March 2025). This indicates a real increase in the financial resources of local authorities, allowing for increased spending on social projects, infrastructure and services. As of 1 April, revenues stood at 1.146 billion USD. The growth rates of local budget revenues (excluding transfers) for municipalities, rayons and oblasts in 17 oblasts exceeded the national average.

FIGURE 1.

General fund revenue (excluding transfers) in March 2026 (million USD) and growth rate up to March 2025, %



Sources: Ministry of Finance, OpenBudget

Personal income tax traditionally accounts for the largest share in the revenue structure of the general fund of local budgets (excluding transfers) – 53.8%. Revenue from this tax in March 2026 amounted to USD 616.0 million (+14.2% compared to March 2025). This is primarily due to the rise in average wages. According to data from work.ua, wages rose by 12.4% between March 2025 and March 2026 (from USD 578.59 to USD 650.24).

In March, the second largest component in the structure of general fund revenue (excluding transfers) was land tax revenue, accounting for 8.2%. Revenue from land payments amounted to USD 95.0 million (+8.6%). According to the State Tax Service, the indexation coefficient for the normative monetary valuation of land plots in 2026 (for 2025) is 1.08. The normative monetary valuation of a land plot, taking into account the

indexation coefficient, forms the basis for land tax and rent payments for state- and municipally-owned land plots and is used to calculate land payments.

The third largest component in the structure of general fund revenue (excluding transfers) is excise duty, which amounted to USD 85.0 million (+31.1% or USD 20.0 million compared to March 2025), due to general inflation, increased fuel consumption for generators and higher excise duty rates. Hostilities in the Middle East are affecting prices of oil and petroleum products. In addition, the government [has improved](#) the mechanism for administering excise duty – electronic excise stamps (for alcoholic beverages, tobacco products and liquids used in e-cigarettes), introduced in March 2025 on a trial basis, became mandatory in 2026. In March, businesses paid excise duty for February 2026.

Revenue from the single tax amounted to 77.0 million USD (+3.4%). This increase is linked to an 6.0% rise in the minimum wage and a 7.8% increase in the subsistence minimum for able-bodied persons, on which the tax rate for Group II and Group I sole traders is based, respectively. According to [opendatabot](#), the total number of sole traders in March 2026 was 63,570 higher than in the same period last year (2,183,326 in March 2026).

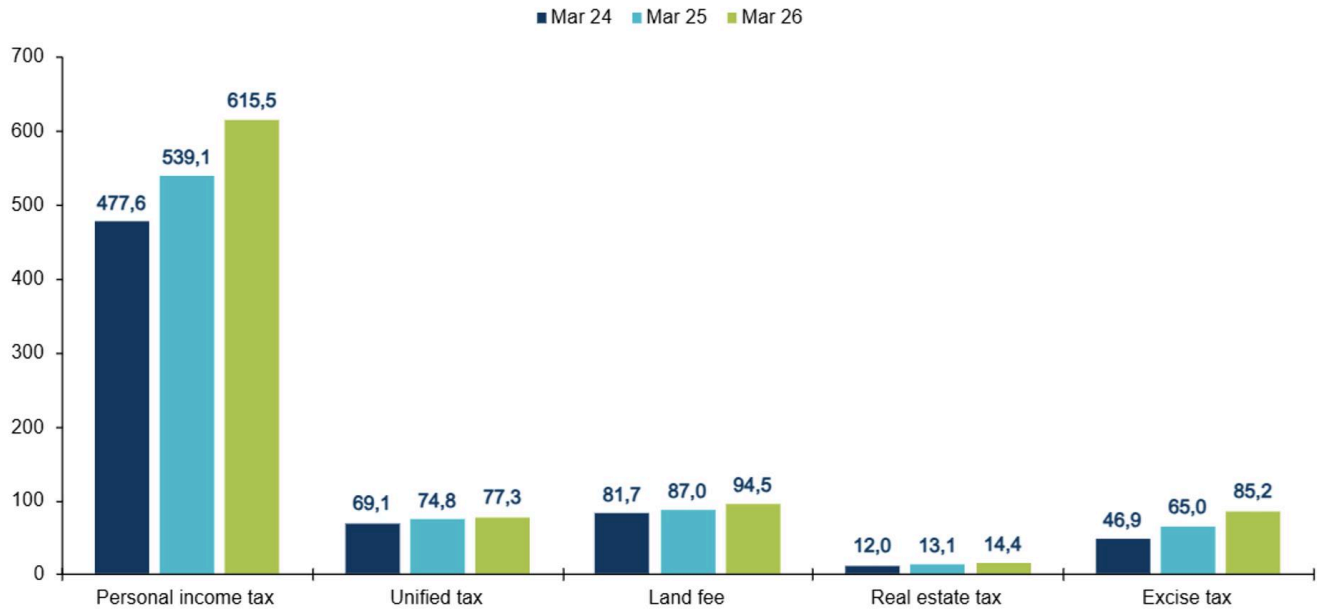
Actual property tax receipts increased by 10.4% compared to March 2025, reaching USD 14.0 million. This growth is linked to the increase in the minimum wage, which as of 1 January 2025 was 1.3% higher than a year earlier (the minimum wage is used to calculate tax for legal entities).

LEGISLATIVE FRAMEWORK AND FEATURES OF TAX PAYMENTS TO LOCAL BUDGETS IN MARCH

- The single tax for Group II sole traders is 20% of the minimum wage – USD 40.28, and for Group I sole traders – 10% of the subsistence minimum or USD 7.75. Group I and II sole traders pay the single tax monthly by the 20th, whilst Group III sole traders are required to pay the single tax in May for the first quarter of 2026.
- Land tax is a mandatory payment forming part of property tax and includes land tax, as well as rent for state- and municipally-owned land plots. In March 2026, legal entities must pay land tax for February 2026.
- Legal entities pay property tax in advance on a quarterly basis by the 30th day of the month following the reporting quarter.
- Individuals are required to pay property tax for 2025 within 60 days of receiving their tax assessment notice, which will be sent by 1 July 2026.

FIGURE 2.

Revenue from major taxes to the general fund of local budgets for March 2024–2026, USD million

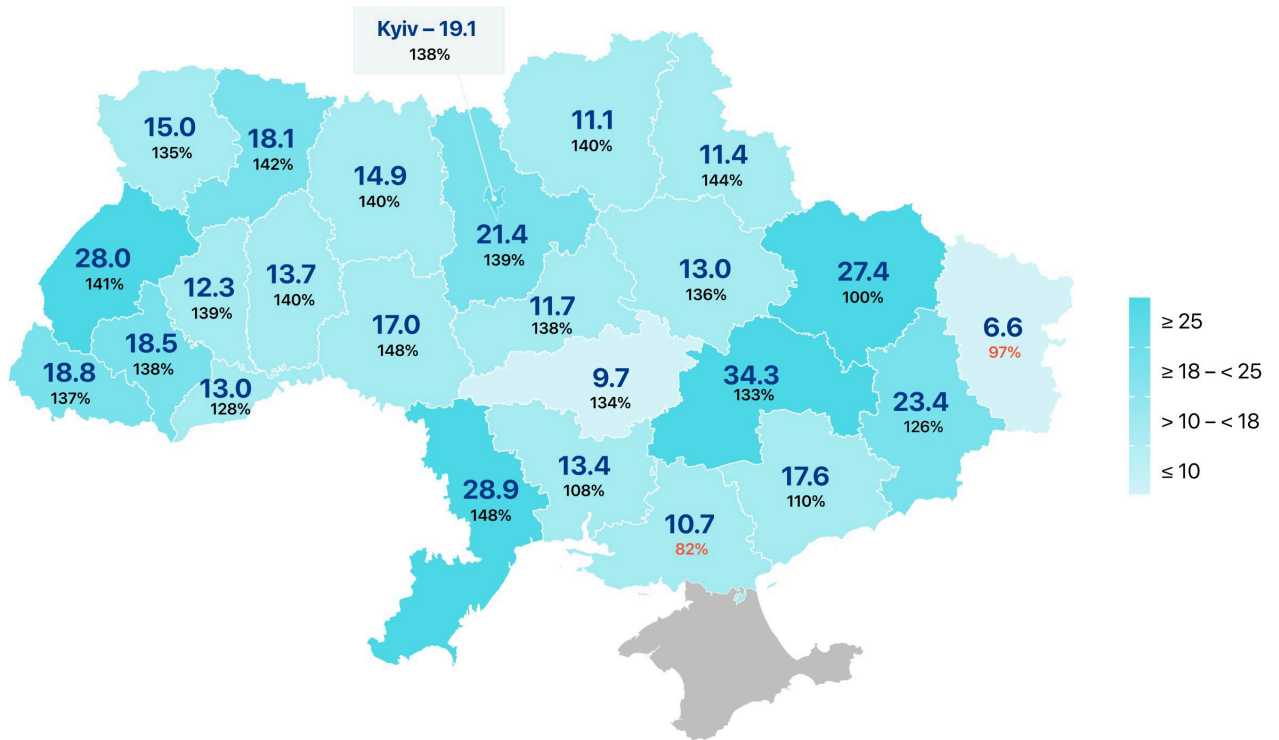


Sources: Ministry of Finance, OpenBudget

In March 2026, the Government ensured the transfer of inter-budgetary transfers to local budgets that were 32.2% higher than in March 2025, specifically the basic grant by 14.1% and the education subvention by 28.0%. The increase in the education subvention is linked to a 30% rise in teachers' salaries from 1 January 2026. Additional grants for local self-government bodies (17 oblastal budgets, 945 municipal budgets) that have been adversely affected by the Russian Federation's full-scale armed aggression were 12.9% lower in March 2026 than in March 2025. This grant is intended to address financial imbalances in local budgets, ensure stable salary payments in the public sector, and compensate for the loss of municipal revenue caused by Russian aggression. The grant is distributed quarterly based on actual revenue losses (personal income tax, property tax, single tax).

FIGURE 3.

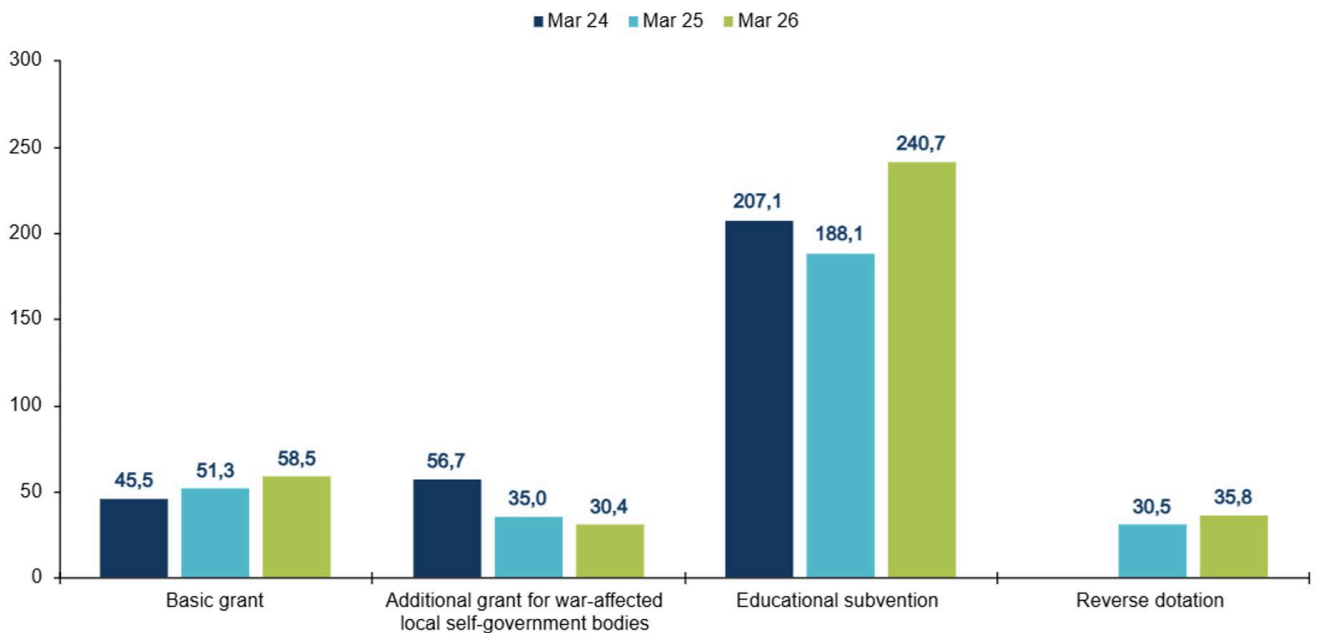
Inter-budgetary transfer receipts in March 2026 (million USD) and their growth compared to March 2025, %



Sources: Ministry of Finance, OpenBudget

FIGURE 4.

Receipts of main intergovernmental transfers to local budgets and withdrawals to the state budget for March 2024–2026, USD million



Sources: Ministry of Finance, OpenBudget

In March 2026, a reverse grant of USD 35.8 million was transferred from local budgets to the state budget, which is 17.2% more than in March 2025.

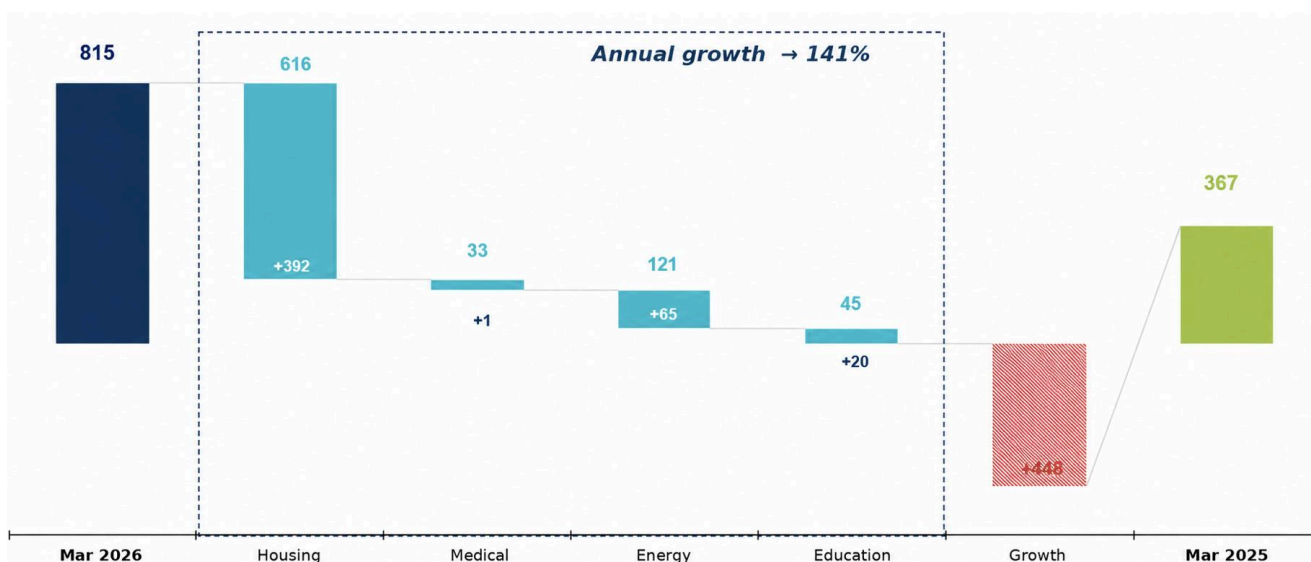
SECURITY SITUATION IN MUNICIPALITIES: STATUS AND TRENDS

In March 2026, security pressure on municipalities became even more widespread and gruelling¹. In territories controlled by Ukraine (municipalities with unoccupied and partially occupied statuses), **4,215 shelling incidents** and **815 strikes on civilian infrastructure** were recorded in March 2026.

Compared with the previous months of 2026, March did not bring any relief. In February 2026, **738 strikes on civilian infrastructure** were recorded in municipalities under Ukrainian control, whilst in January the number of such strikes stood at **832**. In terms of the number of strikes, March exceeded February and was only slightly lower than January. The high level of security pressure has become the new norm, and the war itself increasingly combines **massive aerial pressure over a wide area** with **concentrated material losses in individual municipalities**, which bear a disproportionately heavy burden of destruction.

FIGURE 5.

Strikes on civilian infrastructure, March 2025–2026



Source: ACLED, KSE

Russia is not only increasing the intensity of shelling but is also systematically increasing the scale of damage to civilian infrastructure in municipalities. Over the course of a year, the number of attacks on municipalities has risen by almost 20%, whilst the number of strikes on civilian infrastructure has more than doubled. To account for possible seasonality, this section compares March 2024 and 2025. In March 2025, Russian forces carried out 3,517 attacks on municipalities, resulting in 337 hits on civilian infrastructure; in March 2024, there were 2,920 attacks and 145 hits, respectively

Russia is changing its tactics of warfare: from predominantly frontline artillery attrition to systematic aerial pressure using drones, which is affecting the majority of municipalities. In March 2024, shelling by artillery, mortars and rockets predominated – accounting for **72.3%** of all recorded incidents, whilst **air and drone strikes** accounted for only **27.7%**. In March 2025, the balance shifted in favour of air strikes: their share rose

¹ This and the subsequent statements in this section are based on analysis of data from ACLED

to **61.4%**. In March this year, this shift became even more pronounced: **74.6%** of all attacks were **air and drone strikes**, whilst the proportion of artillery, mortar and rocket attacks fell to **25.4%**.

The main material impact of the war continues to be felt in the everyday living spaces of municipalities – homes, neighbourhoods, local networks and basic infrastructure. **Housing infrastructure** suffers the most: **72.4%** of all strikes in March 2024, **66.5%** in 2025 and **75.6%** in 2026. In March this year, of the **815** recorded strikes, **616** were on residential properties. **Energy infrastructure** accounted for a further **121** cases, **educational infrastructure** for **45**, and **medical infrastructure** for **33**.

This and the subsequent statements in this section are based on analysis of data from ACLED

Material destruction caused by the war is still concentrated in cities, but the area affected is increasingly spreading to towns and rural municipalities. In March 2024, urban municipalities accounted for **1,386 attacks** (**47.5%** of the total), whilst rural and small-town municipalities together accounted for **1,534** (**52.5%**); in March 2026, urban municipalities accounted for **1,846** shelling incidents (**43.8%**), whilst rural and small-town municipalities together accounted for **2,369** (**56.2%**). A similar trend can be observed regarding **damage to civilian** infrastructure: whilst in 2024, municipalities accounted for **111** incidents (**76.6%**), and rural and settlement communities together accounted for **34** (**23.4%**), by 2026 the figures were **513** (**62.9%**) and **303** (**37.1%**) respectively.

Average intensity of air attacks (drone and shellings) on municipality

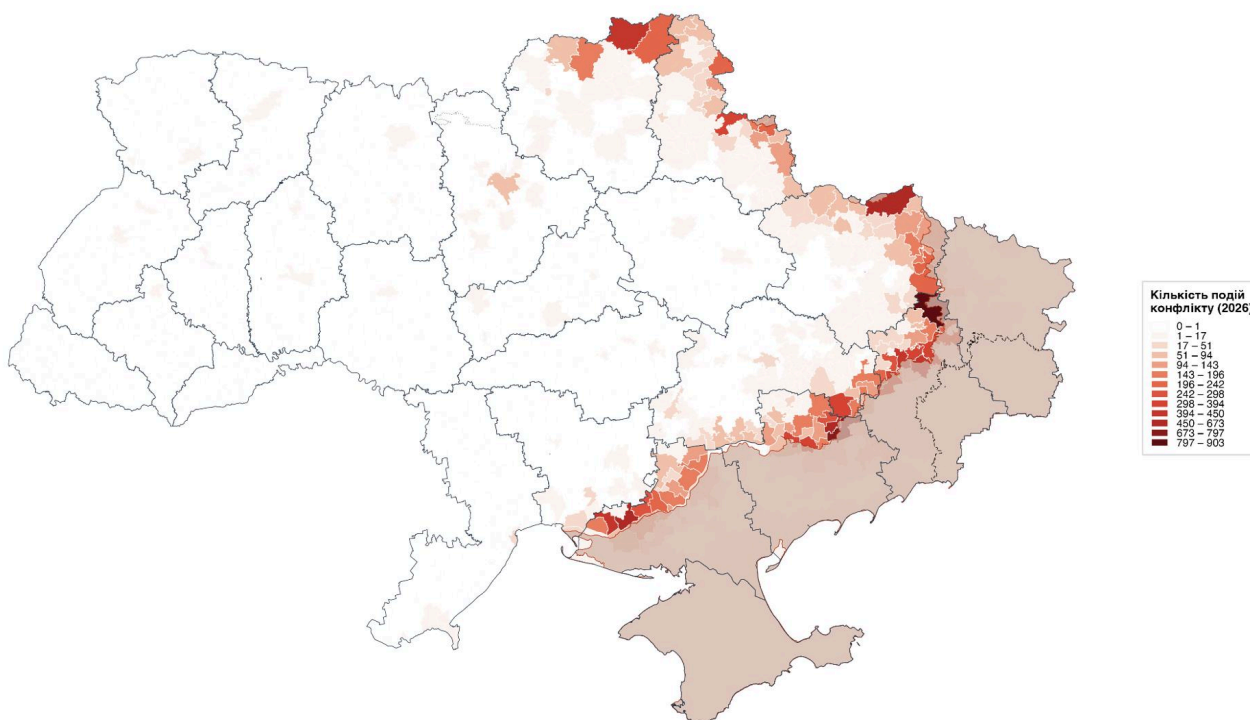
March 2024 and 2026, comparison by type of municipality



The war is becoming less and less confined to frontline urban centres and is increasingly encroaching on rural areas due to air and drone pressure. Whereas in March 2024 air and drone strikes accounted for only 21.1% of all shelling there, by 2025 this figure had risen to 42.5%, and by 2026 to 83.2%. By comparison, in urban municipalities, the proportion of air and drone strikes rose from **32.7%** in March 2024 to **69.7%** in March 2026. This is also evident from the average intensity in March 2024 and 2026: in urban municipalities, the number of attacks per municipality rose from **3.95** in 2024 to **5.26** in 2026, but in rural municipalities – from **1.20** to **2.04**, i.e. almost double.

FIGURE 6.

Intensity of hostilities in municipalities, March 2026 (interactive map)



Source: ACLED, KSE

DAMAGE TO INFRASTRUCTURE

The highest number of shelling incidents in March was recorded in 7 oblasts : **Kherson – 1,079, Zaporizhzhia – 869, Sumy–680, Kharkiv – 433, Donetsk– 364, Dnipro – 360** and **Chernihiv – 339**.

The most damage occurred near the eastern and north-eastern sections of the front line, particularly in the **Kharkiv oblast** .The highest number of strikes on civilian infrastructure was recorded in the **Kharkiv (225), Donetsk (170), Sumy (135)** and **Dnipropetrovsk (87)** oblasts. Together, these four oblasts accounted for **over three-quarters of all strikes**. By comparison, in February the main areas of damage were the Donetsk, Kharkiv and Sumy oblasts, with slightly fewer strikes on the Dnipropetrovsk, Kherson and Zaporizhzhia oblasts.

A comparison of the months in the first quarter of 2026 shows that there is a small group of municipalities that remain among the most affected month after month. First and foremost, these are the **Nikopol, Kherson and Siversk municipalities** – they were among the most affected in all three months. In February and March, the most affected municipalities included **Mykolaiv, Druzhkivka, Kramatorsk, Sumy and Zaporizhzhia**.

The highest number of shelling incidents was recorded in the **Bilozerka municipality** in the **Kherson oblast (165 incidents)** and the **Kherson municipality (157)**. These were followed by the **Vozdvizhivska municipality** in Zaporizhzhia Oblast (**143**), the **Semenivska municipality** in Chernihiv Oblast (**140**), the **Orikhivska municipality (121)**, and the **Bilopilsk municipality** in Sumy Oblast (**117**).

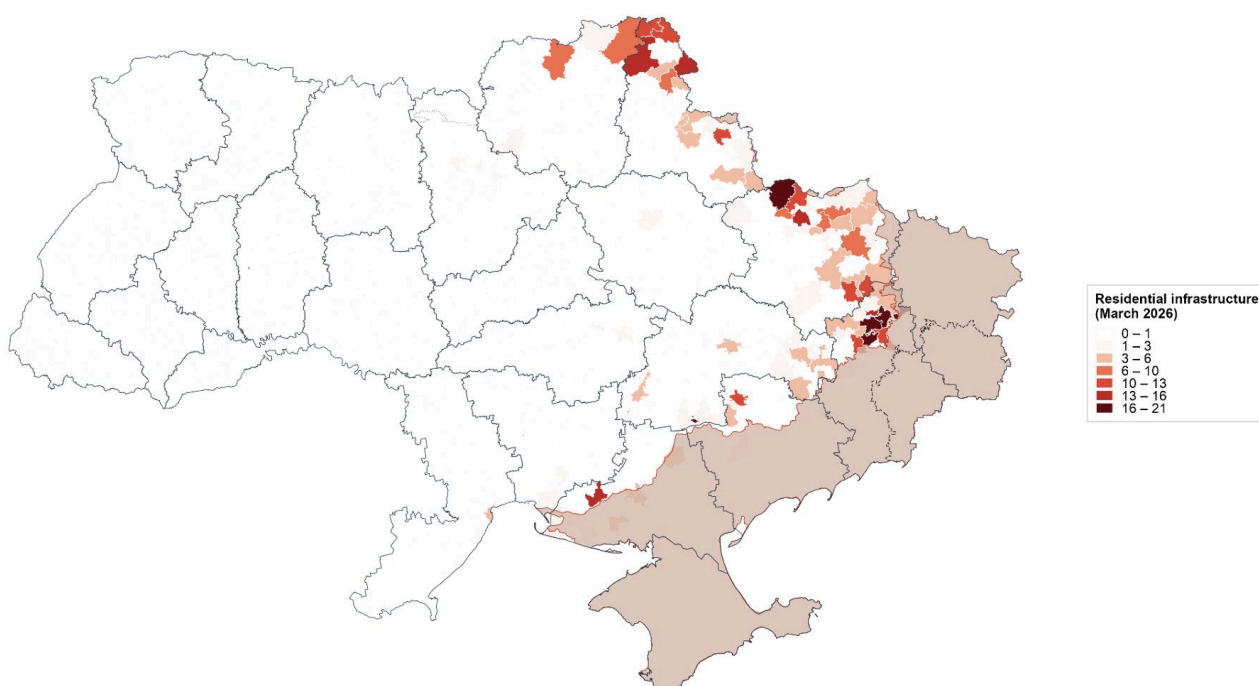
The highest number of strikes on civilian infrastructure was recorded in the **Zolochiv municipality** in the **Kharkiv oblast (32 incidents)**, the **Nikopol municipality** in the **etsk Oblast – 19 each**.

Dnipropetrovsk oblast (28), the **Mykolaiv** municipality in the Donetsk oblast (27), **Kherson** (25), **Druzhkivka** (23), as well as in the **Kharkiv** and **Kramatorsk** municipalities – 22 cases each. The group of municipalities with the highest losses included the Siverska (21), Slovianska (18), Chuhuivska, Oskilska, Zaporizhzhia and Kostyantynivska municipalities – 17 each, as well as the Sumy and Shostka municipalities – 16 each.

The most damage to housing I infrastructure was recorded in the **Siverska municipality (21 cases)**, Zolochivska (20), as well as in the **Druzhkivska, Kramatorska** and **Mykolaivska** municipalities of Donetsk Oblast –19 each.

FIGURE 7.

Damage to housing infrastructure, February 2026

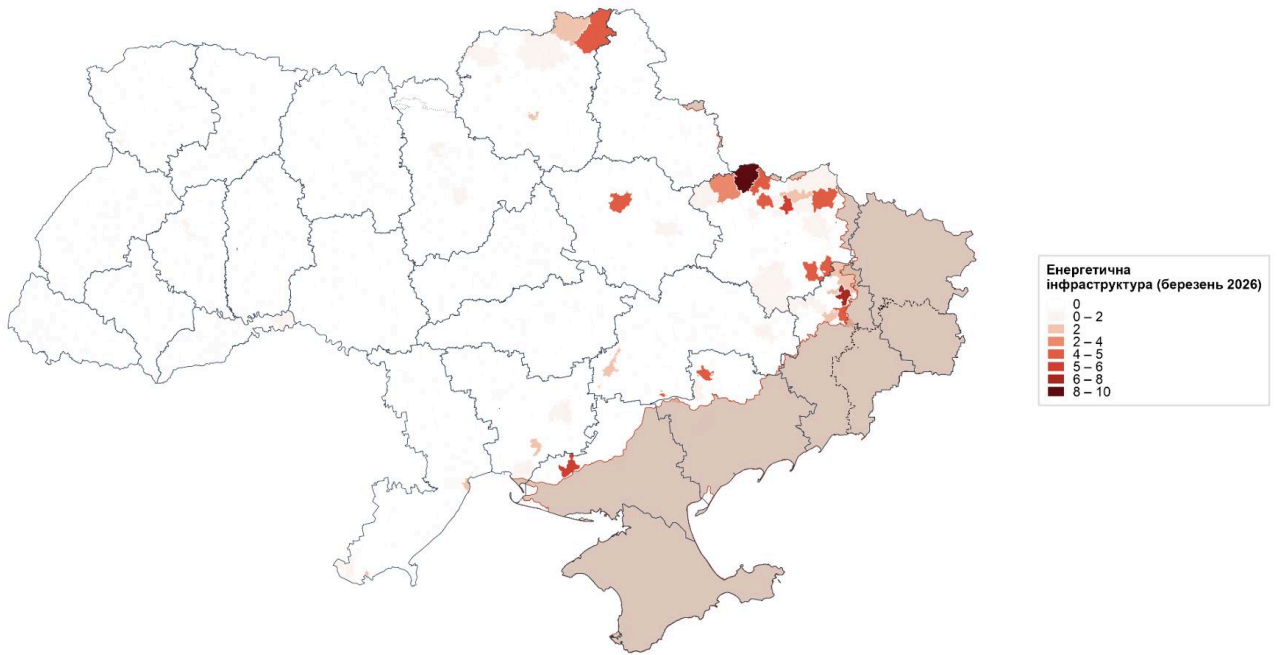


Source: ACLED, KSE

Damage to **energy infrastructure was less extensive**, but it had a significantly greater impact on the functioning of municipalities. The highest number of incidents was recorded in **the Zolochiv municipality (9 cases)**, the **Mykolaiv** municipality in Donetsk Oblast (7), and the **Chuhuiv** and **Kherson** municipalities – 6 each.

FIGURE 8.

Damage to energy infrastructure, February 2026

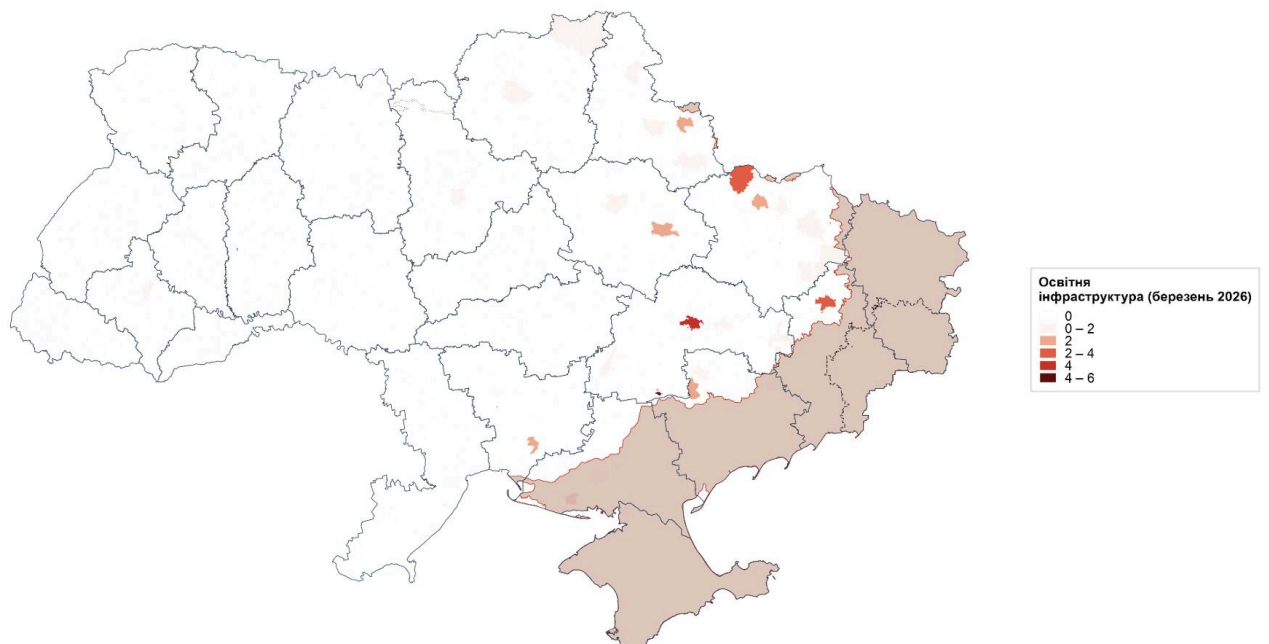


Source: ACLED, KSE

Damage to **educational infrastructure** was most concentrated in the **Nikopol** (5 cases) and **Dnipro** (4) municipalities, whilst the **Vasylivska** municipality in Zaporizhzhia Oblast and the **Kherson municipality** stood out in terms of **medical infrastructure**, with 4 cases each.

FIGURE 9.

Damage to educational infrastructure, February 2026

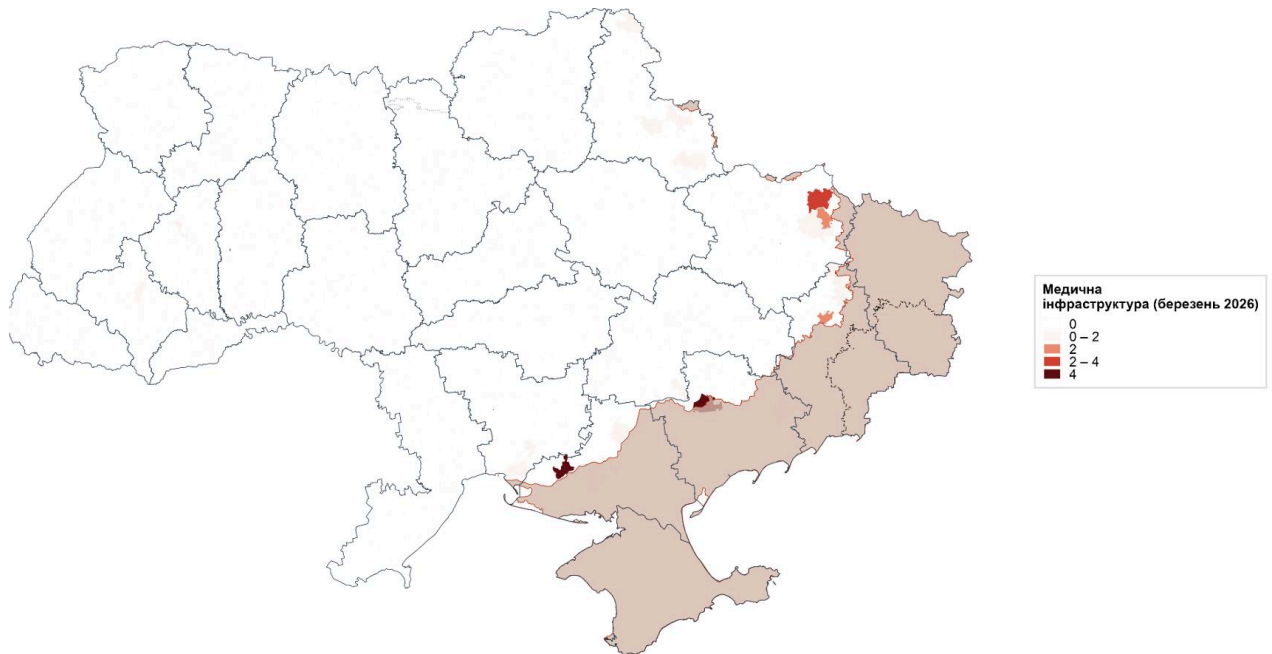


Source: ACLED, KSE

Damage to medical infrastructure increased from 22 sites in February to **33 in March**. The municipalities in Kherson and Kharkiv oblasts were the hardest hit (7 cases each), and in particular the **Vasylivska municipality in Zaporizhzhia oblast** and the **Kherson municipality – 4 cases** in each.

FIGURE 10.

Damage to medical infrastructure, February 2026



Source: ACLED, KSE

INTER-MUNICIPAL COOPERATION

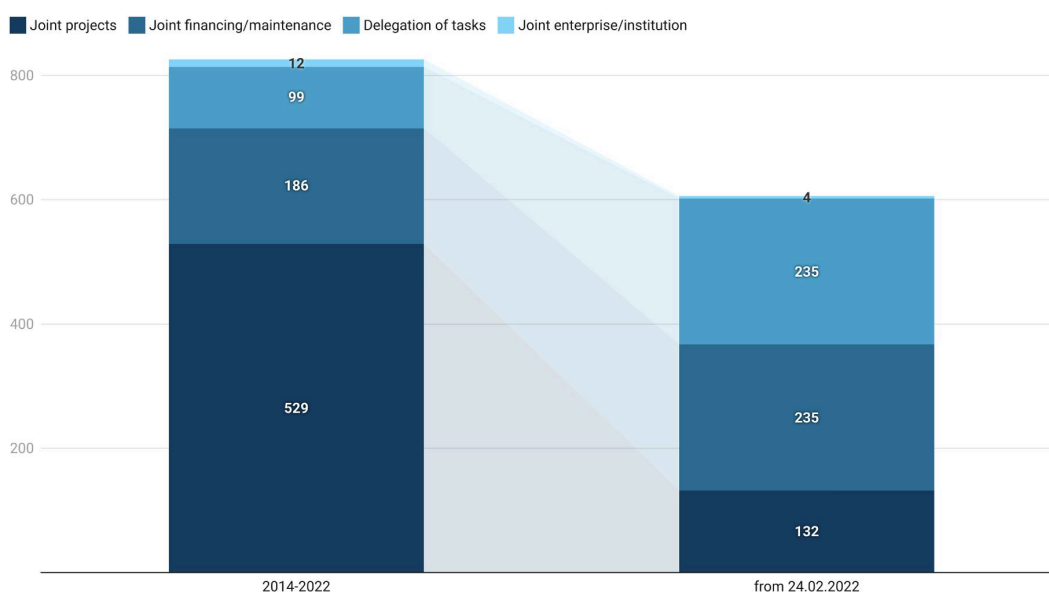
INTER-MUNICIPAL COOPERATION

The March agreements indicate a more targeted use of inter-municipal cooperation as a practical tool for solving specific problems of municipalities. In March 2026, 11 new agreements were added to the register, fewer than the 14 in February and 31 in January. However, this reduction likely does not signify a decline in cooperation activity. On the contrary, the March agreements show that this tool is increasingly being used not merely as a formality, but where municipalities need to ensure the availability of services or create the conditions for access to them, transfer a specific function to a stronger partner, or quickly find an organisational solution to military and humanitarian challenges.

Following the start of the full-scale invasion, inter-municipal cooperation in Ukraine shifted from the implementation of individual development projects to the provision of basic services and the transfer of functions. Whereas prior to 24 February 2022, the register was dominated by agreements in the form of joint projects — 529 contracts, or 63.4% of all new registrations during that period, whilst joint financing and maintenance accounted for 22.3%, and the delegation of tasks accounted for just 12%, after the start of the major war the structure became almost the exact opposite. Of the 606 agreements registered after 24 February 2022 as of 30 March 2026, 38.8% (235 agreements) relate to joint financing and maintenance and the delegation of tasks, whilst the share of joint projects fell to 21.8% (132 agreements). This means that cooperation is increasingly functioning less as a tool for individual development initiatives and more as a practical mechanism for funding services, transferring functions and organising the daily life of municipalities in wartime conditions. A notable feature of the March agreements was also the more active participation of military administrations, which feature in almost half of the new agreements.

FIGURE 11.

Format of municipal cooperation agreements before and after 24 February 2022



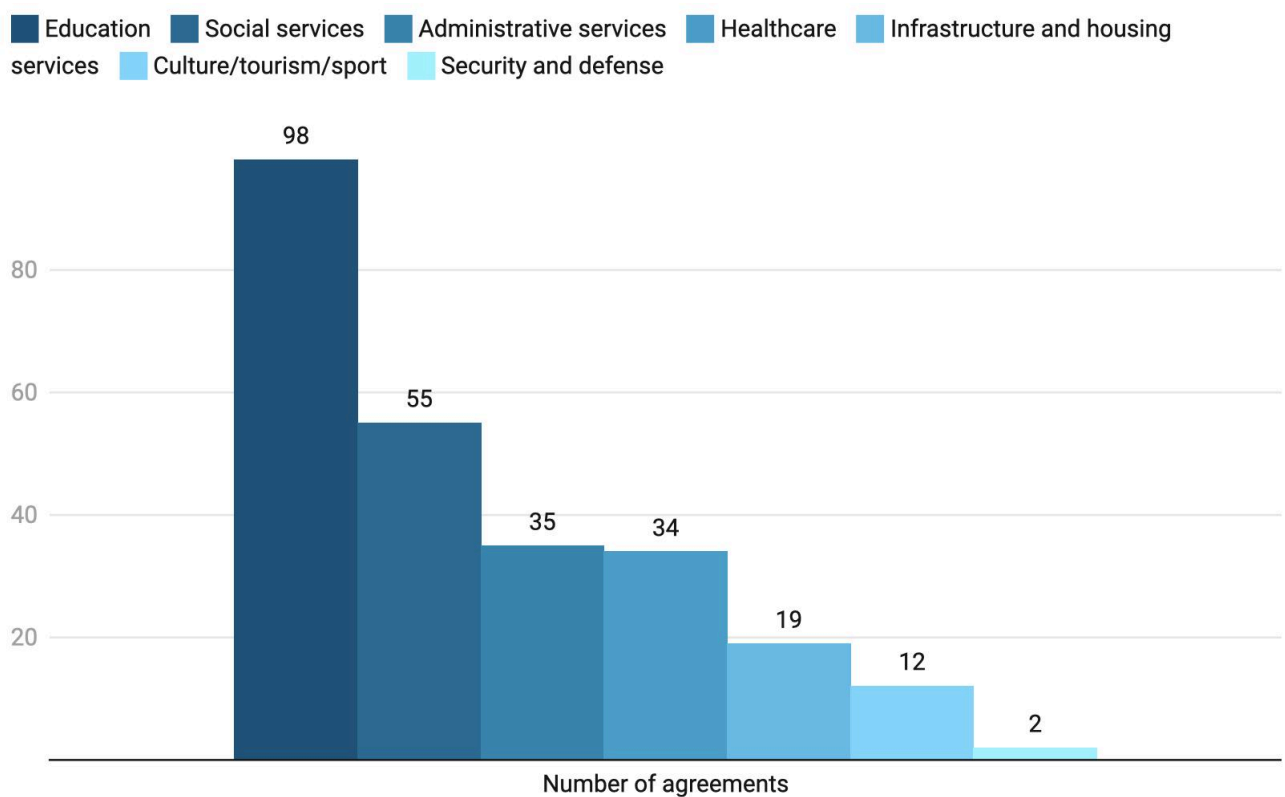
Created with Datawrapper

Sources: Ministry of Development of Municipalities and Territories, KSE Institute

Recent registrations confirm that municipalities are using cooperation primarily to address practical administrative and social challenges. In 2025 and the first quarter of 2026, the structure of new agreements has already stabilised around two main forms: **joint financing and maintenance** — 40.6% (108 agreements) and **delegation of tasks** — 37.6% (100 agreements), whilst joint projects account for only 21.4% (57 agreements). Joint financing and maintenance² involves the long-term pooling of municipal resources to support existing facilities and cover operating costs, whereas the implementation of joint projects is temporary, results-oriented and aimed at creating or modernising infrastructure. Most of the new agreements during this period concerned **education, social services, healthcare and administrative functions**. In other words, municipalities most often cooperate when it is necessary to maintain access to services, sustain an institution or organise services for people in the context of displacement, staff shortages or security pressures.

FIGURE 12.

Thematic distribution of cooperation agreements in 2025–2026.



Sources: Ministry of Development of Municipalities and Territories, KSE Institute

In March, inter-municipal cooperation remained largely local in nature, yet at the same time demonstrated the potential for cross-regional solutions in the areas of resettlement, housing and reconstruction. Of the 11 new agreements, 10 were concluded within a single oblast, and 7 were also concluded within a single rayon, confirming the predominance of cooperation between the closest neighbouring municipalities to address practical local challenges. At the same time, March brought an important innovation — an inter-oblastal agreement between **Kamianske** (Dnipropetrovsk oblast) and **Pokrovsk** (Donetsk oblast) regarding the construction of multi-storey residential buildings in

² In accordance with Article 4 of the Law of Ukraine 'On Cooperation between Municipalities' (No. 1508-VII), joint financing (maintenance) involves the long-term pooling of municipal resources to support existing facilities and cover operational costs, whereas the implementation of joint projects is temporary, results-oriented and aimed at creating or modernising infrastructure. These forms differ in terms of time horizon, type of expenditure and level of institutional integration.

Kamianske. In this model, one municipality provides a relatively safe space and the opportunity for housing construction, whilst the other finances a project linked to the displacement of people and the need to preserve the housing and social infrastructure for its residents. This demonstrates that inter-municipal cooperation can be not only a mechanism for the joint maintenance of institutions, but also a tool for a joint response to the challenges of war where one municipality cannot cope on its own.

The March agreements in the social sphere demonstrate that inter-municipal cooperation can serve as a tool for preserving the institutional agency of displaced municipalities through a network of services for their residents. The most significant thematic cluster of the month comprised three agreements relating to **the 'YaMariupol' support centres, the 'YaMariupol.Turbota' community centres and the 'YaMariupol.Rodina' health centres.** All were concluded by **the Mariupol Local Military Administration** — separately with **the Kalchitska municipality, the Nikolskaya municipality and the Sartanska municipality in Donetsk Oblast.** This is not merely about providing social services in the conventional sense, but about institutionalising a support network for a municipality that has lost control over its territory but continues to exist as a public administration entity. In this case, cooperation enables the preservation of the displaced municipality through domestic support, psychological assistance, family rehabilitation and constant communication with residents. For local authorities, this is an important practical signal: even in conditions of occupation, displacement or a separation between the municipality and its territory, inter-municipal cooperation can serve as a mechanism for preserving institutional capacity through a network of services.

The new agreements signed in March show that inter-municipal cooperation is also being used to fulfil other functions of municipalities. For example, under the agreement, the Putyl Council will provide registration services to residents of the Vashkivets Council. Meanwhile, the Kramatorsk and Velykonovosilkovsk military administrations have agreed to carry out joint activities related to territorial defence.

INTERNATIONAL COOPERATION

International partnerships can be institutionalised in various ways — depending on the level of the partner, the content of the agreements and the chosen framework for cooperation. In March 2026, two new agreements on international territorial cooperation were registered – an agreement and a memorandum – covering a wide range of areas, from infrastructure and energy to education, business and digitalisation. At the same time, both documents were included in the Ministry's official register, meaning that in both cases we are dealing with formalised international cooperation, rather than merely declarative intentions.

The first agreement demonstrates that international municipal partnerships can combine long-term development goals with concrete practical support for municipalities right from the initial stage of cooperation. This refers to the agreement between **the Pustomyty Council in the Lviv Rayon of Lviv Oblast** and the **municipality of Cífer in Slovakia** on the establishment of twinning relations. It was signed during a visit by the Slovak delegation in early March 2026 and registered **on 30 March.** The agreement covers a wide range of areas: **education, science, culture, the arts, the green transition, adaptation to climate change, environmental protection, the development of engineering and transport infrastructure, tourism, sport and local self-government.** It also provides **for study and exchange visits for residents of municipalities** with the aim of adopting European experience and strengthening European integration practices at the

local level. At the same time, one of the first practical outcomes of the cooperation was **the transfer of generators to the Pustomyty lyceums**, demonstrating the partnership's ability to work simultaneously towards both a strategic vision and the immediate strengthening of local institutions and critical infrastructure.

The second memorandum indicates that the international oblast partnership is increasingly taking on practical substance in the areas of reconstruction, modernisation and social support. The memorandum between the Vinnytsia Oblast State Administration and the state of Rhineland-Palatinate in Germany covers the economy, education, energy, healthcare, digitalisation and environmental sustainability. It also covers specific areas of cooperation: the introduction of energy-efficient technologies and the development of renewable energy in the Vinnytsia oblast; the rehabilitation of children of Ukrainian defenders who have been killed, wounded or are missing in action; the development of business partnerships; and cooperation between medical and educational institutions, particularly through professional and academic exchanges.

For Ukrainian municipalities, these two examples demonstrate that the most meaningful international partnerships are those built from the outset around specific areas of cooperation — energy, education, business, infrastructure, healthcare or the environment. At the same time, the models of greatest practical value are those that combine long-term strategic directions with practical forms of cooperation, such as study visits, institutional contacts, business collaboration, joint programmes or professional exchanges. It is particularly important that the strategic framework remains the primary focus, with rapid support for local institutions or critical infrastructure serving as its practical extension.