

STRATEGIC MANAGEMENT OF LOCAL GOVERNMENT DEVELOPMENT: EUROPEAN INTEGRATION GUIDELINES AND A CLUSTER APPROACH TO PUBLIC ADMINISTRATION MECHANISMS

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Abstract. *This article examines the strategic management of local development in Ukraine in the context of European integration. It analyses how local development strategies can be aligned with the EU cohesion policy and the multiannual financial framework for 2021–2027. A cluster structure of public governance mechanisms is proposed to support strategic planning, strengthen institutional capacity and improve the compliance of local government with European standards. The study combines documentary, comparative and thematic analysis of the EU legal framework, administrative practice and decentralisation reforms in Ukraine. The results of the study demonstrate that effective strategic governance requires institutional adaptation, integrated planning, digital transformation and evidence-based decision-making. Particular attention is paid to the role of administrative capacity, innovative management approaches and the effective use of EU financial instruments to support post-war reconstruction and sustainable territorial development. The proposed framework offers practical recommendations for improving local governance, strengthening resilience and increasing the readiness of Ukrainian municipalities to participate in future EU cohesion policy instruments.*

Keywords: *strategic management, local self-government, public administration mechanisms, clustering, European integration, regional development.*

Reikšminiai žodžiai: *strateginis valdymas, vietos savivalda, viešojo administravimo mechanizmai, klasterizacija, Europos integracija, regioninė plėtra.*

Introduction

Local governance has become a central issue in Ukraine's European integration process, especially in the context of decentralization reforms that have reimagined governance at the subnational level. These reforms have shifted responsibilities to local authorities, while creating a need for more effective coordination mechanisms, strategic management, and institutional support. The challenge is therefore to develop a strategic governance system that not only meets European standards but also ensures resilience to political, economic, and security challenges.

Recent studies highlight the opportunities offered by the European Union's Cohesion Policy for 2021–2027 to strengthen regional and local governance (Humeniuk, 2021; Mrak & Zuber, 2020). Researchers also point to the potential of EU structural funds as financing instruments for sustainable development (Lyvch, Shaipova & Kostyba, 2020; Redkva & Tsekhanovych, 2021). Other studies emphasize the adaptation of European models of territorial governance to Ukrainian conditions, focusing on spatial planning, harmonization of regional policies, and development of local community potential (Shust & Varchenko,

2021; Tretiak & Bezgina, 2022). However, Ukrainian scholars point to persistent problems, such as the formal approach to local strategic planning, difficulties in applying European methods in times of war, and the lack of effectiveness of adopted development strategies (Repko, 2022; Tretiak, 2021). Transformational factors, such as demographic changes, security threats, climate change, and digitalization, further complicate the strategic environment (Khytsko & Kulyk, 2023). Recent research (Christou, A. García-Rodríguez, T. Heidelk et al., 2025) highlights the link between economic growth and environmental objectives and shows, using regional data on EU cohesion policy for the period 2021–2027, that insufficient alignment of local strategies with EU priorities can hinder sustainable regional development.

The innovation of this article lies in the application of the cluster classification of public governance mechanisms to the strategic management of local self-government. Although much of the existing literature focuses on legal or fiscal aspects, few studies propose a comprehensive framework that integrates regulatory, financial, organizational, and participatory mechanisms into a single model consistent with EU practice. Furthermore, existing research rarely considers these governance mechanisms as an integrated system that is simultaneously aligned with the objectives of EU cohesion policy, the multiannual financial framework for 2021–2027, and Ukraine's post-war reconstruction needs. This represents a significant research gap that this study addresses. Recent analyses by Bălan (2022) and Marukhlenko and Kuzmenko (2024) highlight the relevance of EU cross-border cooperation programmes and cohesion policy instruments and offer valuable insights for Ukraine, in particular on the coordination of local government strategies with the 2021–2027 multiannual financial framework and post-war reconstruction priorities. In addition, studies on agile project management in public-private partnerships and large infrastructure projects (Wang, Kwak & Cui, 2024; C. Krystallis, Laraqui Mahi & Di Maddaloni, 2024) highlight the importance of adaptability and strategic flexibility in implementing complex management and investment initiatives under uncertainty.

The aim of this article is to provide a theoretical justification and practical analysis of the mechanisms of strategic governance of local self-government in Ukraine in accordance with European integration standards. The main objectives are: to consolidate relevant public governance mechanisms for strategic planning at the local level; to identify key factors affecting the effectiveness of long-term planning and its implementation; and to develop adaptive governance models to enhance the resilience of municipalities.

Thus, the study addresses the following research question: How can public governance mechanisms be systematically integrated into a strategic management system that supports the development of local self-government in Ukraine, while ensuring compatibility with EU cohesion policy priorities and the requirements of European integration?

The methodological framework of the study combines comparative institutional analysis, synthesis of the EU cohesion policy framework, and application of a cluster approach to systematize governance mechanisms. The study design includes an analysis of Ukrainian strategic documents, a comparative analysis of EU governance models, and a summary of the results of decentralization reforms. It also draws on the principles of European cohesion policy, emphasizing that cohesion is actively built through innovation, sustainability, social inclusivity, and integration, providing guidance for adapting EU-inspired governance mechanisms to the Ukrainian context (Logvinov et al., 2025). The article is structured as follows: first, the scientific problem and academic debate on strategic management of local self-government are outlined, followed by a review of existing approaches and theoretical foundations. Next, the methodological framework is presented and the results of the study are discussed, including the proposed cluster classification of mechanisms. The article concludes with a summary of the main conclusions and a presentation of practical implications for Ukraine's compliance with European governance standards.

Methodology

This research follows a qualitative methodological approach and focuses on secondary data analysis as a key tool for studying the adaptation of local government in Ukraine to the European Union's governance

and finance systems. Qualitative methods were chosen because they allow for a detailed examination of institutional structures, legal mechanisms and governance practices that are difficult to quantify but are important for understanding complex transformation processes.

The analysis is based on three main components (Table 1):

Table 1. Analytical Framework and Research Components

Component	Description
Documentary analysis	A study was conducted of the EU legal framework, including the Multiannual Financial Framework 2021-2027, cohesion policy provisions, as well as key directives and communications of the European Commission and the European Parliament. In addition, Ukrainian legislation on decentralization reform, local self-government and modernisation of public administration was analyzed
Comparative analysis	Assessing the experience of EU Member States (e.g. Poland, Romania and the Baltic States) in adapting their local government systems to the requirements of EU cohesion policy. This comparison serves as a starting point for identifying best practices and potential challenges for Ukraine
Thematic content analysis	A systematic analysis of scientific publications, expert reports and analytical works on the quality of governance, institutional capacity and strategic planning at the local level. This method identifies recurring problems such as formalism in planning, limited administrative resources and asymmetry in territorial development

Source: Author

The combination of these approaches allows to integrate the analysis of legal frameworks, financing instruments and governance practices into a single research framework. The methodology also considers the theoretical foundations of multi-level governance (MLG) and the principles of good governance. They provide conceptual tools for assessing Ukraine’s institutional readiness and compliance of local government mechanisms with EU standards. The study covers the period from 2014 to 2024 and reflects the timeline of decentralization reform in Ukraine and the ongoing adaptation to the European integration agenda, with a particular focus on the context of post-war reconstruction.

The chosen methodological approach ensured a consistent connection between the research objectives and the results obtained. Documentary analysis served as the basis for identifying the strategic and regulatory priorities of the EU, which are reflected in the proposed governance system. Comparative analysis allowed to assess the experience of individual EU Member States and formulate practical recommendations for Ukraine. Thematic content analysis helped to identify recurring institutional problems and support the development of the proposed cluster classification of public governance mechanisms.

Results

The results are presented in four interrelated sections. First, the current strategic preconditions for the adaptation of local government in Ukraine to the EU governance and funding framework are analyzed. Next, the main principles of the proposed cluster governance model are explained. Third, the functional characteristics of each governance cluster are presented. Finally, the practical implications of the proposed framework for strategic planning and post-war reconstruction are discussed.

The analysis is structured as follows: first, the most important conceptual and methodological foundations of strategic municipal management in the context of European integration are systematized. Sub-

sequently, using modern research results and policy documents, the institutional, legal, financial, economic, information, analytical and personnel aspects of modernization are assessed. Based on this, the article demonstrates the feasibility of applying a cluster approach to public administration mechanisms and shows how this contributes to better compliance with EU management standards. Finally, the study identifies strategic directions for action to strengthen the potential of Ukrainian municipalities, taking into account modern challenges and post-war reconstruction.

Current status of local government reform in Ukraine in the context of EU integration

Since the start of the decentralization reform in 2014, Ukraine has fundamentally transformed its local government system through the unification of territorial authorities, fiscal decentralization, and the redistribution of powers between the central government and municipalities. The reform has led to the creation of effective territorial authorities with expanded responsibilities in education, healthcare, spatial planning, administration, and local economic development (Shevchenko et al., 2020, p. 87). Fiscal decentralization has strengthened the financial autonomy of municipalities through increased revenues and expanded budgetary powers, thereby creating stronger incentives for strategic planning and investment management. Despite the challenges posed by the large-scale war, the basic structure of decentralization has been preserved. Municipalities have taken on additional responsibilities in the areas of civil protection, humanitarian aid, support for internally displaced persons, restoration of damaged infrastructure and coordination of reconstruction efforts. These new functions have significantly increased the importance of institutional resilience and strategic management capacity at the municipal level.

At the same time, Ukraine's EU candidate status has shifted the focus of local government reform from purely institutional decentralization to alignment with the principles of the European Administrative Space (Khudaverdiyeva, 2022).

Local development strategies should be guided by the principles of subsidiarity, partnership, multi-level governance, transparency, accountability and evidence-based policymaking that underpin EU cohesion policy. This transition requires not only the harmonization of legislation but also the modernization of governance mechanisms to ensure the effective implementation of EU-funded programs and long-term territorial development.

Despite significant progress, challenges remain. These include uneven institutional capacities of local authorities, differences in administrative professionalism, limited analytical support for strategic planning and different levels of readiness to prepare and manage complex investment projects financed by European instruments. Therefore, further modernization should focus not only on expanding local competencies, but also on improving the quality of governance, management capacity, digital transformation and strategic coordination with EU financial and political structures (Litvinenko, 2026).

In this context, the proposed cluster approach should be understood as a practical management system that complements the ongoing decentralization reform. By integrating institutional, organizational, resource, analytical and territorial aspects into a coherent management model, it supports the adaptation of Ukrainian local governments to European standards and increases their readiness to effectively participate in future EU cohesion policy instruments after accession.

The Polish experience shows that the effectiveness of EU cohesion policy depends not only on the amount of funding available, but also on institutional capacity and good governance. Poland has developed an integrated system that links the management of EU funds with regional policy, decentralizes a significant part of cohesion policy funds to regional authorities, establishes close coordination between national and regional institutions, and integrates EU programmes into its national strategic planning framework. At the same time, recent problems related to compliance with EU legislation demonstrate that institutional weaknesses can limit access to EU resources and reduce the effectiveness of strategic investments (Zuber, 2023).

Romania serves as another illustrative example for Ukraine. After joining the European Union, the country strengthened its regional planning institutions, improved project management capabilities and made more active use of cohesion policy funds. The EU's structural and cohesion funds have become key instruments for accelerating regional convergence, supporting infrastructure modernisation, enhancing business competitiveness and promoting sustainable territorial development. At the same time, Romania's experience shows that insufficient administrative capacity and fragmented strategic planning can significantly hinder the effectiveness of these investments, despite significant EU financial support (Lazar & Lazar, 2012).

Strategic Adaptation of Local Self-Government in Ukraine to the European Union Governance and Financial Framework

Adaptation of the legislative and institutional system of local self-government of Ukraine to the standards of the European Union is a complex but central element of the implementation of the European integration process. This process includes not only the formal harmonization of the legal framework with the *acquis communautaire*, but also the strategic transformation of approaches to planning, management and policy implementation at the local level.

European experience confirms the crucial role of long-term planning within the framework of multiannual financial regulation, in particular the seven-year financial cycle of the EU, which establishes the key parameters of the development of Member States and candidate countries. In this context, the need to synchronize local and regional strategic documents with the relevant planning and budgetary periods of the European Union is becoming increasingly relevant for Ukraine.

Local authorities play a key role in this process. They should act not only as executors of state policy, but also as equal participants in its development - through the activities of associations, inter-municipal cooperation and participation in joint European initiatives and projects.

In a narrow sense, institutional capacity encompasses the management capacity of state bodies at the national and regional levels. In a broader sense, it means the coordinated functional interaction of all institutions involved in the processes of planning, implementation, monitoring and financing of programs and projects financed by the European Regional Development Fund, the Cohesion Fund and other EU instruments. The aspect of governance quality deserves special attention, as it directly affects the ability of local authorities to achieve strategic goals and attract external investments. Empirical studies demonstrate a positive correlation between high governance quality and increased innovation development indicators at the regional level. At the same time, strengthening institutional interaction, combined with targeted investments in the development of local infrastructure, especially transport, through the effective implementation of EU programs, contributes to the growth of regional gross domestic product (Shust et al., 2024). The decentralized governance model implemented in Ukraine has allowed local authorities to act not only as central administrative units, but also as stable centers of public power, thus playing a key role in ensuring national stability. The creation of an institutionally strong system of local self-government has demonstrated the potential for independent, accountable and effective governance. This requires its further development, in particular through the professionalization of personnel, the expansion of inter-level coordination, the improvement of the legal framework and the optimization of administrative procedures (Tretiak & Bezghina, 2024).

The main task of local government remains to ensure that strategic plans of territorial communities and regions comply with EU legal and financial standards. Adapting strategic planning to EU standards includes not only harmonizing legislation, but also introducing long-term financial forecasts within the framework of the Multiannual Financial Policy (MFP).

The European Union's cohesion policy, one of the key components of its budgetary system, serves as a key instrument for reducing socio-economic inequalities between regions. The current financing period

of the Multiannual Financial Framework 2021-2027 (Mrak & Zuber, 2023), which provides for over €1 trillion from the EU’s main budget and another €750 billion from the EU’s Next Generation Fund, creates a unique financial environment in which Ukrainian municipalities can implement strategic initiatives aligned with European approaches to regional development. In the context of harmonizing local development strategies with the financial and legal framework of the European Union, it is advisable to take into account the internal logic of the EU’s multiannual financial planning. This process is based on a clear priority structure that determines the direction of resource allocation between sectoral and territorial policies. The financial architecture of the European Union within the Multiannual Financial Framework includes seven main areas that determine the general logic of planning development programs and, accordingly, form the basis for adapting Ukrainian strategic documents to European standards (Figure 1).

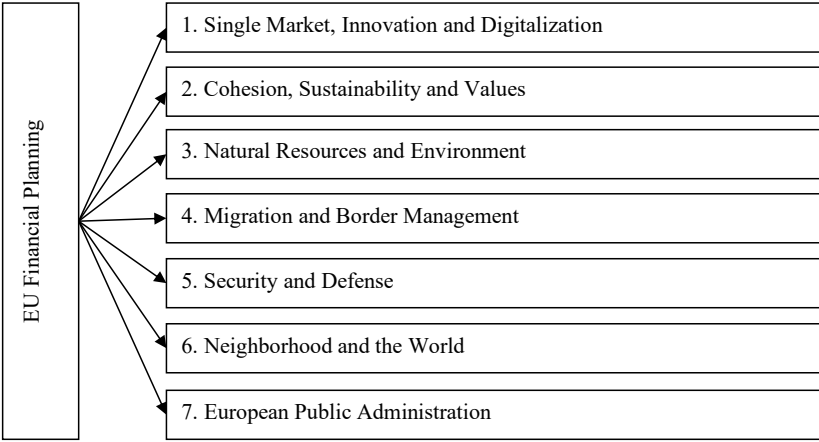


Figure 1. Main Directions of EU Financial Planning as a Reference for Strategic Planning of Communities
Source: (Mrak & Zuber, 2023)

While the exact amount of future cohesion policy funding for Ukraine depends on the terms and conditions of its accession to the EU, existing analyses show that, due to its size, population, post-war reconstruction needs and significant regional disparities, Ukraine could be among the largest beneficiaries of EU regional development instruments. The country’s institutional capacity to receive and effectively manage EU funds will therefore be a crucial factor. This underlines the importance of aligning local strategic planning and governance mechanisms with EU cohesion policy principles well before full membership.

The identified strategic prerequisites form the basis for developing an integrated management model based on a cluster approach.

Mechanisms and Functional Clusters of Local Governance Modernization in the Context of European Integration

Based on open data from the European Commission and materials attached to the EU Multiannual Financial Framework for 2021-2027 (Mrak & Zuber, 2023), it is possible to identify the main priorities of the Union’s budgetary policy, which should be taken into account in the strategic planning of local authorities in Ukraine. The areas of social cohesion, sustainability and reconstruction are given the most attention – they account for more than half of the total budget and include support for regional development, economic modernization and overcoming the consequences of the crisis. This is followed by environmen-

tal protection programs and green transition policies, which signal the integration of the environmental dimension into all areas of regional governance.

Digital transformation, innovation and the functioning of the single market remain central priorities of the EU's financial framework, reflecting the Union's commitment to the competitiveness and technological capabilities of its Member States. In contrast, policy areas such as migration, security, foreign policy and defence receive significantly smaller budget allocations, ensuring the EU's strategic focus on internal consolidation rather than external enlargement. This budgetary logic directly shapes the standards of organizational planning at the national and subnational levels in Ukraine, as adherence to these priorities not only ensures thematic relevance, but also takes into account the financial feasibility of future cooperation programmes with the EU.

At the same time, the global situation resulting from the COVID-19 pandemic has demonstrated that external shocks can change the logic of financing public investments. The experience of EU Member States, in particular Poland, shows that the pandemic has led to a temporary restructuring of public investment financing, with a reduced share of EU budget and subsidy funds due to the urgent need to reallocate resources for crisis response measures. Research confirms that local authorities in Poland have shown a greater preference for debt securities during this period, highlighting the vulnerability of municipal systems to widespread anxiety (Brzozowska, 2023). This dynamic underlies the gradual development of flexible and sustainable trends in policy changes, in particular in the ninth phase of recovery and expansion in the EU after the crisis.

The analysis of the EU's multiannual financial framework for 2021-2027 has confirmed the systemic focus of EU fiscal policy on balanced territorial development. Cohesion policy instruments, implemented through a system of structural and international markets, provide a framework to support the reduction of territorial penetration and interference, a fundamental mechanism for ensuring inclusive, competitive and territorially balanced growth across the Union. Empirical evidence (Lyvch, Shaipova & Kostyryba, 2023) shows that both new EU members (e.g. Poland, Romania) and economically strong states, especially Germany and France, receive significant funding. Overall, the ratio of Structural Funds to GDP in most European countries is less than 1.75 percent, but in countries such as Croatia, Latvia, Lithuania, Hungary and Bulgaria, this figure exceeds 3 percent, accounting for about half of all public investment. This may indicate the key role of Structural Funds in supporting the investment process and stimulating development in some EU Member States. The high share of these funds in GDP and public investment means that economic growth and modernization of many sectors in these countries depend to a large extent on European Union support. This also highlights the uneven distribution of financial resources between Member States: for more developed countries, Structural Funds are only an additional instrument, while for countries with a lower level of development they become the main source of investment in socio-economic infrastructure and institutional change. In this context, the quality of the implementation mechanisms – institutional capacity, staffing, the availability of project infrastructure and effective management – is of great importance. The varying efficiency of resource use in different countries indicates the key role of management decisions and mechanisms in the effectiveness of government actions.

Another aspect of the potential for implementation is the readiness of civil servants to work in a complex and rapidly changing environment. Modern public administration increasingly requires skills such as cognitive and analytical abilities, cross-cultural communication and personal effectiveness, which allow employees to adapt quickly, think creatively and collaborate across sectors. The introduction of design thinking principles and agile methods (such as Scrum or Kanban) into administrative practice has been proven to promote innovation, improve internal work processes and increase the quality of public services (Gaule et al., 2025).

The experience of the new EU member states shows that structural funds can act as a catalyst for socio-economic modernization and reduce inequalities in the development and integration of economies into the common European market. These findings are extremely relevant for Ukraine, which seeks grad-

ual integration into EU institutions. This especially concerns the creation of internal management mechanisms that ensure the effective use of external resources under conditions of transparency, accountability and strategic coordination.

In addition, cohesion instruments contribute to reducing barriers to resource flows, developing basic infrastructure, creating public goods and integrating markets and institutions across borders (Redkva & Tsekhanovych, 2021). Such measures contribute to balancing socio-economic disparities between regions and testing new models of multi-level governance, which is important for adapting public policy in Ukraine in the context of the European integration process. To strengthen the capacity of local authorities to effectively use EU financial instruments, in particular structural and investment funds, it is important to develop development strategies that meet both the thematic priorities of the EU and the principles of cohesion policy. In view of Ukraine's European integration, the integration of cohesion policy structures, principles and procedures into local government practice should become an integral part of strategic planning, both in the process of gradual integration into the EU and in the context of post-war reconstruction. The targeted adaptation of local policies to European standards in the areas of environmental protection, transport, energy, inclusion and social protection requires coordinated and clearly structured mechanisms of public administration. Therefore, the updating of regional development strategies, coordinated by the Ministry of Development of Municipalities, Territories and Infrastructure of Ukraine, is of particular importance. This is a prerequisite for the development of effective public policy at the local level. Updated strategies serve as a tool for influencing management and ensuring the validity of short- and medium-term decisions. Their development is based on the principles of targeting, adaptability and inclusiveness, which is consistent with the EU approaches to regional governance. It is important that this process is dynamic: regional strategies are reviewed and systematically improved taking into account the recommendations of experts, feedback from local communities and modern socio-economic realities (Ministry for Communities and Territories Development of Ukraine, 2024). In this context, it is appropriate to consider the broader prospects of Ukraine's economic integration into the EU, which is increasingly seen as a common strategic necessity. According to the report (Repko, 2025), Ukraine is considered a factor in strengthening European competitiveness, energy security and industrial sustainability. The expansion of the EU internal market through the integration of Ukraine means both an increase in the number of consumers and labor force (by 10%), and the creation of conditions for the intensification of trade, the development of an innovative economy and the reduction of the shortage of skilled labor, in particular in information technologies, mechanical engineering and knowledge-intensive production. Ukraine's potential in digital technologies, cybersecurity, defense industry and energy enhances the EU's ability to implement the ambitious goals of green transformation and energy diversification.

At the same time, Poland's experience shows that even within the EU, the energy transition can be jeopardized by non-compliance with EU law. The European Commission and the Court of Justice of the European Union concluded that Poland's failure to comply with EU requirements has jeopardized significant EU funding for its energy transition and has resulted in double costs: loss of EU funds and significant fines for ignoring the Court's rulings. Modernizing Poland's aging energy sector is crucial, and failure to comply could further limit Polish products' access to the EU market due to environmental standards (Kawecka-Wyrzykowska, 2022). This case illustrates how ignoring EU obligations can undermine national competitiveness and slow down the energy transition – an important lesson for Ukraine, which must avoid similar mistakes in order to fully benefit from EU integration and funding.

Thus, the economic integration of Ukraine has a double dimension: on the one hand, it is a tool for internal development and post-war reconstruction of Ukrainian territories; on the other, it contributes to strengthening the resilience and strategic autonomy of the European Union. From this point of view, the adaptation of local policy to EU standards and active participation in the formation of a common European economic architecture is the responsibility of local authorities and part of their overall responsibility for the future of a united Europe. In Ukraine, as in the countries of the European Union, strategic

planning for the development of territorial communities is increasingly becoming an integral tool of local self-government. This is especially relevant in conditions of martial law, since management decisions must be based on comprehensive consideration of internal and external challenges. Despite progress in the formalization of strategic documents, practical problems remain: formal planning, short-term thinking, unrealistic strategies and the lack of effective monitoring and adaptation mechanisms. Given the rapidly changing external environment, it is necessary to update strategies by dividing the planning process into three interrelated blocks: conceptually oriented, problem-oriented and project-oriented. This ensures the adaptability and relevance of management decisions (Khyt'ko & Kulyk, 2023).

The key factors that will determine the content of territorial development strategies in the near future are: security threats, demographic changes, climate change, the development of artificial intelligence, digital transformation and related cyber security challenges, energy transition, social inequality, changing working conditions and changes in education. These trends pose new challenges for strategic management at all levels - from local communities to national institutions. Since there are no ready-made answers to most challenges, it is of particular importance to create a cross-sectoral platform for constant dialogue, coordination of efforts and development of a strategic vision in accordance with the principles of EU cohesion policy. This interaction - not competitive, but synergistic - forms the basis for an effective response to modern threats and long-term development challenges. In the context of Ukraine's European integration process and its gradual integration into the European political space, the methodological compatibility of local government strategic documents with the objectives of the EU Cohesion Policy for 2021–2027 is becoming increasingly important (Humeniuk, 2024). This ensures the logical integration of local plans into the European context and increases the ability of municipalities to effectively receive funding and implement joint projects. Such a strategic orientation is an important step in preparing Ukraine for full participation in the implementation of European policies after accession to the EU.

As already noted, the potential for the implementation of the EU Cohesion Policy in Ukraine is currently at an early stage. Its development requires targeted institutional development, strengthening human resources and implementing a strategic approach to local development. For local and regional authorities, this means fulfilling three key tasks: strengthening institutional readiness, high-quality planning and development of projects that meet European criteria (Tretiak, 2025).

Alignment of municipal strategic documents with European approaches is appropriate and necessary even in the status of a candidate country. This lays the foundation for the implementation of systemic management, focused on results, transparency and compliance with EU standards. The integration of individual indicators (RCO, RCR) into the monitoring system improves the quality of planning, ensures control over the achievement of goals and strengthens confidence in the ability of municipalities to effectively use external resources. At the same time, it is important to strengthen the institutional capabilities of municipalities in the areas of digital technologies, data management, auditing and interaction with independent experts. This increases administrative transparency, strengthens the reputation of municipalities as reliable partners in the process of European integration and opens up new opportunities for participation in European programs.

In this context, strategic planning for the development of local self-government should take into account modernized public administration mechanisms that comply with the financial and programmatic framework of the EU. Furthermore, recent studies (Bondarenko et al., 2025) highlight the need to adapt administrative oversight to the conditions of war and post-war reconstruction, drawing on European practices that combine transparent procedures, technological integration, and multi-level control, while respecting local autonomy. This involves a programmatic approach to planning, targeted budgeting in line with the seven EU policy priorities, and professionalization of management personnel in line with European public administration standards.

In summary, a comprehensive classification of public administration mechanisms in the area of strategic development of municipalities in the context of European integration can be proposed (Table 2):

Table 2. *Integrated classification of management mechanisms in the context of European integration*

Cluster	Key mechanisms	Focus / examples
1. Institutional and regulatory	- institutional strategic management - regulatory harmonization with the EU Acquis - effective public administration	- multilevel governance - European standards for strategy development - e-government, open data
2. Functional and organizational	- stakeholder engagement - personnel - national and public security	- inclusive planning, good governance - professionalization of personnel - public safety, crisis response
3. Resource-economic	- financial and economic - EU cohesion and values - innovation and digitalization	- preparation of projects for EU funds - gender equality, social inclusion - innovative economy, digital transformation
4. Analytical and informational	- analytical and information - audit and quality control	- monitoring for RCO/RCR - peer-review, internal audit, public reporting
5. Ecologically-territorial and international	- ESG and sustainable development - natural resources and environment - foreign policy and good neighborliness	- sustainable development goals, climate adaptation - ecological zoning, green budgeting - cross-border cooperation, IDPs, border interaction

Source: Author

The proposed classification shows how different management mechanisms complement each other and together form an integrated strategic management system. The application of clustering methods simplifies the analysis and management of complex systems by grouping interconnected functions, processes, and resources into coherent structures. This approach allows for more effective decision-making, improves coordination, and promotes the efficient use of available resources (Adebayo & Ayorind, 2022; Derevyanchuk, 2024). In the field of public administration, cluster initiatives have been shown to improve the organization of municipal activities, increase transparency, and contribute to the modernization of institutional mechanisms (Trushkina & Shyposha, 2022; Podolchak & Karkovska, 2020).

In our case, this cluster approach allowed us to identify five functional clusters that combine traditional and innovative management tools, taking into account the requirements and priorities of the EU Financial Planning (EU-FP). Such a cluster approach allows for the systematization of key areas of local government activity in accordance with EU standards and ensures a comprehensive modernization of management mechanisms.

The proposed classification reflects a multi-level structure of management mechanisms, which should be adapted to the requirements of the European model of public administration. It combines traditional tools of strategic planning and resource management with modern approaches focused on digitalization, social integration, environmental sustainability and transnational cooperation.

The institutional and regulatory cluster emphasizes the need to harmonize the regulatory framework and procedures for local government management with EU legislation. The functional and organizational block focuses on the quality of public services, public safety and the involvement of stakeholders in the decision-making process. The resource-economic cluster ensures synergy between EU funding and local economic processes, taking into account the innovation component. The analytical and information cluster focuses on performance assessment mechanisms that meet European performance management standards. Finally, the ecological-territorial and international cluster reflects the priority of environmental

responsibility and the development of cross-border cooperation. According to a joint assessment by the Government of Ukraine, the World Bank, the European Commission and the United Nations, the estimated costs of reconstruction and recovery are US\$411 billion (€383 billion) over a projected 10-year period. This highlights the importance of structured cluster approaches to coordinate public and private resources (European Commission, 2023). Such structuring allows for a systematic approach to the development of local development strategies that meet the key priorities of the EU Cohesion Policy for 2021-2027 and ensure methodological compatibility with the relevant governance framework of the European Union.

The analysis shows that an adaptive multi-level system of local government is best suited for Ukraine. This system combines the principles of decentralization, strategic planning and institutional capacity building within the framework of the EU governance system. Instead of directly copying individual national models, this approach integrates the most effective elements of Poland's experience with decentralized management of EU funds, Romania's experience in strengthening regional planning capacity and European cohesion policy into a single cluster management system. This model provides greater flexibility, strengthens administrative capacity, improves coordination between different levels of government and increases the readiness of local authorities to effectively participate in future EU cohesion policy instruments.

Conclusions

The analysis conducted in this study highlights the crucial importance of aligning the strategic development of local government in Ukraine with the principles and priorities of the European Union. Adapting local government mechanisms to EU standards is not limited to the harmonization of legislation, but requires a comprehensive transformation of strategic planning, institutional capacity and management competencies at the local level.

The study achieved its stated goal by developing a comprehensive concept of strategic management of local self-government based on the principles of European integration. In particular, public administration mechanisms were systematized using a cluster approach, key factors of strategic planning effectiveness were identified, and an adaptive management model was proposed that meets the priorities of the EU cohesion policy and the requirements of post-war reconstruction.

The cluster classification of governance mechanisms proposed in this study demonstrates how institutional, functional, resource-economic, analytical and ecological-territorial aspects can be systematically integrated into the strategic planning process. The results of the study confirm that effective strategic governance at the local level depends on the interaction of several key factors: transparency, digitalization of processes, balanced consideration of environmental, social and economic aspects, as well as the development of human and institutional potential. Furthermore, taking into account security issues, demographic trends, climate challenges, technological progress and post-conflict reconstruction needs is crucial for adaptive and sustainable local governance. A comparative analysis with EU Member States highlights the benefits of multi-level governance, inter-municipal cooperation and structured use of external financing instruments, including the Structural Funds and the Cohesion Fund, as levers for sustainable regional development.

The practical implications of these findings are significant. They suggest that local authorities should not only align their strategic documents with EU financial and legal standards, but also actively participate in the development of strategies and programmes that reflect both national priorities and European cohesion objectives. From a methodological point of view, the study highlights the value of integrating documentary, comparative and thematic content analyses to derive practical recommendations for local government reform.

Future research perspectives include the development of applied strategic planning models adapted to specific municipalities, the assessment of the compliance of existing local strategies with EU directives,

and the development of methodological recommendations for harmonizing municipal programs with the expected structure of Ukraine's EU membership. Overall, this study contributes to a deeper understanding of how strategic governance mechanisms can be structured to increase the effectiveness, resilience, and readiness of Ukrainian local governments for European integration.

Data Availability Statement

The data used to support the findings of this research are available from the corresponding authors upon request.

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VIETOS SAVIVALDOS PLĖTROS STRATEGINIS VALDYMAS: EUROPOS INTEGRACIJOS GAIRĖS IR KLASTERIŲ METODAS VIEŠOJO ADMINISTRAVIMO MECHANIZMAMS

Anotacija. Šiame straipsnyje nagrinėjamas strateginis vietos valdžios plėtros valdymas Ukrainoje Europos integracijos kontekste. Tyrimu analizuojamas teritorinės plėtros strategijų suderinamumas su šiuolaikiniais valdymo iššūkiais, ES sanglaudos politika ir 2021–2027 m. daugiametė finansinė programa. Siūlomas klasterinis metodas, skirtas susisteminti valdymo mechanizmus į institucinius, finansinius ir ekonominius, teisinius, informacinių ir technologijų bei analitinius komponentus, taip pat žmogiškųjų išteklių komponentus, siekiant užtikrinti visapusišką vietos plėtros prioritetų svarstymą. Tyrimu derinama ES valdymo praktikos, decentralizacijos reformų Ukrainoje lyginamoji analizė ir administracinės kontrolės modelių vertinimas, įskaitant skirtingų šalių patirtį. Pabrėžiama strateginio valdymo svarba siekiant didesnio skaidrumo, atskaitomybės ir efektyvumo, ypač karo padėties ir pokario atstatymo kontekste. Tyrimu pabrėžiamas skaitmeninimo, adaptyvaus valdymo ir gebėjimų stiprinimo, įskaitant dizainu grįstą mąstymą ir lanksčias metodikas, vaidmuo gerinant paslaugų kokybę, viešojo administravimo efektyvumą ir suinteresuotųjų šalių įtraukimą. Ypatingas dėmesys skiriamas suderinto planavimo, veiksmingo ES struktūrinių ir investicinių fondų lėšų naudojimo ir rizika pagrįstos scenarijų analizės poreikiui spręsti socialinius, ekonominius ir aplinkosaugos iššūkius. Strateginės kryptys apima institucinių gebėjimų stiprinimą, novatoriškų valdymo praktikų integravimą, darnaus vystymosi skatinimą, suderinamumo su ES užtikrinimą ir vietos bendruomenių atsparumo didinimą. Šis darbas papildo akademinę literatūrą, pateikdamas išsamią, įrodymais pagrįstą Ukrainos vietos valdžios modernizavimo sistemą, taip pat praktines rekomendacijas politikos formuotojams, administratoriams ir tarptautiniams partneriams, remiantiems atstatymą po konflikto ir Europos integraciją.

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