e-ISSN 2503-426X

Institutional Approaches to State-Business-Society Partnership in Ukraine: Financial Support Mechanisms for Sustainable Development

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Article Received: 22 Feb 2025, Revised: 26 April 2025, Accepted: 04 May 2025

Abstract. The formation of effective and resilient partnerships between the state, business, and civil society is a critical factor in achieving sustainable development, particularly in post-crisis and transitional contexts. This article examines institutional approaches that shape the tripartite collaboration in Ukraine, emphasizing the importance of financial support mechanisms and the cognitive foundations of cooperation, such as trust and legitimacy. Drawing on a combination of institutional theory and cognitive models, the study analyses Ukraine's current institutional landscape, identifies challenges and fragmentation in coordination, and evaluates financial instruments including public-private partnerships, donor programs, co-financing schemes, and community-driven initiatives. The research highlights how institutional trust and financial transparency play decisive roles in enhancing stakeholder engagement and long-term collaboration. Based on national and international case studies, the paper proposes policy recommendations to improve the institutional infrastructure and ensure financial sustainability in multi-actor partnerships amid Ukraine's post-war recovery and European integration process.

Keywords: Ukraine; institutional partnership; state-business-society cooperation; financial support mechanisms; public-private collaboration; cognitive trust; sustainable development.

1. INTRODUCTION

In the 21st century, sustainable development increasingly depends on dynamic interactions between the public sector, private enterprises, and civil society. These interactions are no longer peripheral to governance – they are central to addressing complex challenges such as inequality, climate change, war recovery, and institutional fragility. In transitional countries like Ukraine, where decentralization, post-war reconstruction, and European

e-ISSN 2503-426X

integration are simultaneously unfolding, the need for well-structured partnerships supported by institutional and financial mechanisms is both urgent and strategic.

Ukraine has made significant progress in recent years in fostering decentralization, promoting transparency, and engaging non-state actors in governance. However, the effectiveness of state-business-society partnerships remains hindered by institutional fragmentation, underdeveloped trust between sectors, and inadequate financial architecture. In the context of post-war reconstruction and alignment with EU principles of subsidiarity and participatory governance, these partnerships must become more structured, evidence-based, and financially sustainable.

This study explores the institutional and cognitive foundations that support multistakeholder partnerships in Ukraine. It focuses on the interplay between institutional frameworks and financial support mechanisms, such as co-financing programs, donor contributions, and public-private partnerships (PPP). Furthermore, it incorporates the cognitive dimension of cooperation – such as trust, shared purpose, and social legitimacy – which influences how institutional actors perceive and engage with one another.

The article contributes to both theoretical and policy-oriented discussions by combining institutionalist perspectives with cognitive economics and governance studies. Through an analysis of national initiatives and international experiences, the paper seeks to offer policy insights that can strengthen the institutional architecture of partnerships and enhance financial resilience in the face of systemic shocks.

2. LITERATURE REVIEW

2.1 Theoretical Foundations of Institutional Partnerships

The evolution of institutional cooperation models in governance literature has progressively shifted from hierarchical public administration models to network-based governance, collaborative public management, and multi-stakeholder partnerships. Rhodes (1997) emphasized that governance is increasingly based on inter-organizational networks rather than strict bureaucratic hierarchies. In this context, partnerships between state, business, and civil society have become crucial tools for addressing complex policy challenges and achieving sustainable development goals.

One of the most influential conceptual models is the Triple Helix model (Etzkowitz & Leydesdorff, 2000), which focuses on the dynamic interaction between university, industry, and government. This model has since evolved into the Quadruple Helix (Carayannis & Campbell, 2009), where civil society and knowledge users are incorporated as a fourth pillar, promoting more inclusive and innovation-driven cooperation. This framework is increasingly relevant in transitional countries like Ukraine, where collaborative innovation ecosystems are still emerging.

2.2 Cognitive Institutionalism and Trust in Governance

While much of the early literature focused on formal institutions – laws, procedures, structures – contemporary research highlights the importance of informal institutions and cognitive dimensions in shaping governance outcomes. North (1990) and Ostrom (2005)

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argue that mental models, beliefs, and informal norms play a pivotal role in how formal institutions function in practice.

Recent studies in cognitive economics and public trust theory underscore the significance of perceived legitimacy, institutional trust, and expectation alignment among stakeholders (Christensen & Lægreid, 2005). Trust is particularly essential in public-private partnerships, where actors must share risk, delegate authority, and co-finance projects. In low-trust contexts, such as post-Soviet societies, the lack of cognitive preconditions (trust, transparency, credibility) is often a more significant barrier than technical or legal limitations.

2.3 Financial Mechanisms and Multi-Level Governance

The role of financial support mechanisms in enabling partnerships has received increasing attention in policy and development literature. Studies by the OECD and World Bank emphasize that sustainable partnerships require not only regulatory and institutional backing but also predictable, well-structured funding sources (OECD, 2020). Common financial tools include:

- Public-Private Partnerships (PPP);
- Co-financing schemes;
- Impact investing;
- Community grants and participatory budgeting;
- CSR-based financing of social infrastructure.

European case studies, especially from Poland, Slovakia, and the Nordic countries, illustrate the value of combining structured public funding with localized trust-building and innovation-friendly regulation (Greve, 2009; EIB/EPEC, 2022).

2.4 EU Models of Localized Partnership and Development

The LEADER approach in the European Union serves as a prominent example of Community-Led Local Development (CLLD). It empowers local partnerships – comprising municipalities, civil society organizations, and businesses – to design and implement development strategies (European Commission, 2017). LEADER emphasizes:

- bottom-up governance;
- local knowledge mobilization;
- financial co-responsibility;
- institutional autonomy.

Scholars like Dax & Oedl-Wieser (2016) identify LEADER as a model that enhances territorial cohesion, particularly in rural or disadvantaged regions. The approach resonates strongly with Ukraine's decentralization and post-conflict recovery goals, and it is partially piloted through donor programs like U-LEAD.

2.5 Ukrainian Context: From Fragmentation to Coordination

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Ukrainian scholarship and donor reports reflect a growing interest in institutional partnership development, particularly in the context of decentralization (MinRegion, 2023), recovery policy (Cabinet of Ministers of Ukraine, 2022), and democratic governance. Programs such as USAID DOBRE and U-LEAD with Europe provide empirical insights into the formation of local coalitions, community-driven development, and co-financing practices.

However, studies also emphasize key challenges:

- Fragmented legal frameworks;
- Lack of cross-sectoral coordination;
- Weak institutional capacity at the local level;
- Low trust in national government institutions (TI Ukraine, 2023).

While CSR Ukraine and local business initiatives have demonstrated the potential for public-private cooperation, these remain mostly ad hoc and require structural support and scaling mechanisms.

2.6 Summary of Gaps in the Literature

Despite the abundance of models and normative frameworks, the following gaps remain:

- Insufficient integration of cognitive institutional analysis into empirical studies on partnerships;
- Limited attention to financial architecture and funding sustainability in long-term cooperation;
- Scarcity of Ukraine-specific studies combining institutional, financial, and trust-based perspectives.

This study addresses these gaps by offering an integrated analysis of institutional design, financial support systems, and cognitive trust dynamics in Ukraine's evolving partnership ecosystem.

3. METHODOLOGY

This research adopts a qualitative institutional analysis framework combined with comparative case study methodology to investigate the mechanisms that shape effective state-business-society partnerships in Ukraine. The choice of qualitative methodology reflects the complexity and contextual nature of institutional arrangements, stakeholder behaviour, and governance structures, which are not easily reducible to quantitative variables.

3.1 Research Design and Rationale

The study aims to understand not only what types of institutional configurations and financial mechanisms exist in Ukraine but also how and why these arrangements succeed or fail in fostering sustainable collaboration. This requires a dual-level analytical approach:

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- Institutional analysis to examine formal structures, legal frameworks, roles, and coordination mechanisms;
- Cognitive analysis to assess informal factors such as trust, perceived legitimacy, and shared expectations among actors.

By focusing on both the formal and cognitive dimensions, the study aligns with new institutional economics and recent scholarship on cognitive governance, which emphasize that institutional performance is shaped not only by formal rules but also by mental models and collective beliefs (North, 1990; Ostrom, 2005).

3.2 Data Sources and Analytical Materials

The analysis is grounded in a triangulation of data from the following sources:

- Official policy documents (strategies, regulations, development plans) issued by the Cabinet of Ministers of Ukraine, Ministry for Communities, and Ministry of Economy;
- Donor program evaluations and monitoring reports from USAID DOBRE, U-LEAD with Europe, GIZ, and EU4Business;
- Analytical reports by international organizations such as OECD, UNDP, Transparency International, and the World Bank;
- Academic literature and peer-reviewed journals in the fields of public administration, development studies, and cognitive economics;
- Local case documentation from municipal and regional authorities involved in publicprivate partnerships and community-driven initiatives.

Where available, the study also consulted public dashboards and transparency portals (e.g., Prozorro, participatory budgeting platforms, CSR Ukraine reports) to assess practical outcomes and participation metrics.

3.3 Case Selection Criteria

A purposeful sampling strategy was employed to select illustrative case studies that reflect a diversity of institutional arrangements, territorial contexts, and financing mechanisms. The following criteria were used to include programs or initiatives in the analysis:

- 1. Multi-actor participation Involvement of at least two of the three sectors (state, business, civil society) in program governance or implementation.
- 2. Financial structure Existence of co-financing mechanisms, donor support, PPP instruments, or other structured funding arrangements.
- 3. Institutional alignment Compatibility with EU governance principles or international best practices in decentralization, partnership, and accountability.
- 4. Data availability Access to evaluations, impact reports, or other forms of documentation allowing assessment of outcomes, challenges, and innovations.

Based on these criteria, the study selected:

 Eksplorium
 p-ISSN 0854-1418

 Volume 46 No. 1, May 2025: 1345–1360
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- USAID DOBRE (decentralization support and local development),
- U-LEAD with Europe (administrative and institutional capacity-building),
- CSR Ukraine (private-sector-led public good initiatives),
- Local examples from Vinnytsia, Lviv, Poltava, and pre-war Mariupol (participatory governance, PPPs, and social innovation).

3.4 Cognitive Institutional Analysis

In addition to the institutional lens, the study incorporates a cognitive institutional approach, drawing on the works of North (1990), Scott (2001), and more recent literature on cognitive trust capital. This analytical lens explores how:

- Shared mental models influence stakeholder behaviour;
- Trust and legitimacy condition willingness to engage in partnership;
- Expectation mismatches or risk perceptions can result in coordination failure or implementation gaps.

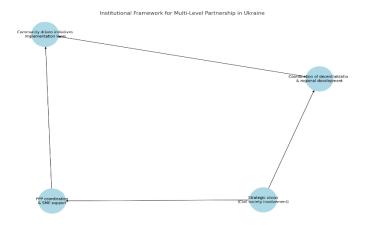
This approach is particularly relevant for Ukraine, where formal decentralization reforms often co-exist with informal barriers such as scepticism toward government intentions, weak public-private dialogue, and limited historical experience with horizontal cooperation.

3.5 Limitations

While the case study approach allows for deep contextual analysis, its generalizability is inherently limited. Additionally, data availability varied by program and locality, with some examples lacking longitudinal impact evaluation. Nevertheless, the multi-case strategy ensures that findings reflect a range of experiences across Ukraine's institutional ecosystem.

4. FINDINGS AND DISCUSSION

Ukraine's institutional landscape for multi-actor cooperation is shaped by Ministry for Communities, Territories and Infrastructure Development; Ministry of Economy; National Council for Recovery of Ukraine, which are playing a central role in community-driven initiatives.



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Figure 1. Institutional Framework for Multi-Level Partnership in Ukraine

Source: built by authors

Figure 1 describes the institutional coordination framework for multi-level governance in Ukraine. In the context of Ukraine's post-war reconstruction and alignment with European governance standards, an emerging institutional framework has taken shape to coordinate strategic planning, policy implementation, and stakeholder engagement across different levels of government. This framework involves three principal tiers of actors: (1) the National Council for the Recovery of Ukraine, (2) sectoral ministries, and (3) local selfgovernment bodies (hromadas/OTGs).

Functioning as the apex strategic body, the National Council for the Recovery of Ukraine operates under the aegis of the Office of the President and the Cabinet of Ministers. It is responsible for:

- Formulating the overarching post-war recovery vision and national development priorities;
- Integrating civil society and expert input into national strategies;
- Ensuring coherence between external donor agendas and internal policy frameworks.

The Council plays a pivotal strategic coordination role, setting the direction for long-term reforms and partnership models with domestic and international stakeholders.

Two ministries play a particularly critical role in operationalizing national strategies:

- The Ministry for Communities, Territories and Infrastructure Development oversees regional development policies, municipal governance reform, and the implementation of decentralization. It supports capacity-building, urban planning, and infrastructure investments at the local level.
- The Ministry of Economy of Ukraine is tasked with promoting public-private partnerships (PPPs), supporting small and medium-sized enterprises (SMEs), and facilitating investment in strategic sectors. It also plays a role in regulatory reforms that enable business engagement in social and infrastructural projects.

These ministries function as policy transmission channels, translating strategic national priorities into sectoral instruments and guidelines for local execution.

At the implementation level, amalgamated territorial communities (hromadas/OTGs) serve as the primary vehicles for delivering services, initiating local development projects, and engaging with citizens and civil society organizations. Their functions include:

- Drafting and executing local development strategies aligned with national priorities;
- Participating in donor-funded programs (e.g., DOBRE, U-LEAD);
- Co-financing and managing community-level infrastructure and social programs.

The decentralization reform has granted OTGs greater financial and administrative autonomy, enabling them to act as co-equal partners in multi-level governance.

e-ISSN 2503-426X

The interaction among these three tiers is characterized by a top-down strategic flow—from the National Council to ministries to OTGs—as well as bottom-up feedback mechanisms, where local needs, capacities, and innovations are relayed upward to inform national policy refinement.

However, the coordination remains semi-formalized, with overlapping mandates, limited institutional memory, and occasional disconnects between strategic vision and local realities. Bridging this gap requires:

- The institutionalization of regional coordination units;
- Digital platforms for vertical information exchange;
- Capacity-building to strengthen horizontal collaboration among OTGs.

Ukraine's decentralization reform since 2014 has expanded the legal and fiscal autonomy of municipalities, enabling them to attract investment, initiate PPPs, and partner with NGOs. However, many local governments still face capacity limitations and unclear procedures for engaging with businesses and civil society actors.

Despite the legal framework introduced in 2010 and improved in 2021, PPP implementation in Ukraine remains limited due to high administrative burdens, lack of expertise, and unclear risk-sharing protocols. Nonetheless, successful cases (e.g., hospital renovations in Lviv region, industrial parks) demonstrate potential when political will and private interest align.

Several donor programs (e.g., EU4Business, GIZ, UNDP) require local governments or communities to co-invest or contribute in-kind resources, fostering ownership and long-term commitment.

Initiatives like CSR Ukraine promote private-sector involvement in education, healthcare, and local development. While CSR remains underutilized at the national scale, localized projects (e.g., Nova Poshta Humanitarian, METRO's community grants) show how business can act as an active development agent.

Despite progress in formal structures, cognitive and behavioral barriers hinder trustful cooperation:

- Low trust in public institutions remains a systemic issue (Transparency International 2023: Ukraine ranks 104th out of 180 in CPI).
- Siloed thinking and institutional inertia slow down integration of non-state actors.
- Expectations mismatch between donors, local authorities, and civil society leads to coordination breakdowns.
- Legacy of centralized governance makes horizontal cooperation culturally unfamiliar.

To overcome these, trust-building mechanisms such as participatory budgeting, transparent monitoring, and open data platforms must be institutionalized.

Eksplorium *p*-ISSN 0854-1418 *e*-ISSN 2503-426X

Several models of Public-Private-Society Partnership are relevant for comparison (table 1).

Table 1. International Models of PPSP

| Framwork/Model | Description | Reference |
|---|---|---|
| The "Triple Helix" Model | This framework illustrates interaction between university, industry, and government—evolving in Ukraine toward the inclusion of civil society as a fourth actor (Quadruple Helix). It emphasizes innovation ecosystems and knowledge-based development. | Etzkowitz & Leydesdorff, 2000 Carayannis, E. G., & Campbell, D. F. J., 2009 |
| Nordic Trust- Based Model | Countries like Sweden and Norway emphasize high-trust collaboration between sectors with minimal formal contracts. This is underpinned by long-standing democratic institutions and fiscal transparency | Greve, C., 2009 Christensen, T., & Lægreid, P., 2005 |
| EU's LEADER Program | A notable example of community-led local development (CLLD), LEADER funds local partnerships that include municipalities, businesses, and NGOs to co-design and co-implement development strategies. This model is particularly relevant to Ukraine's decentralization agenda | European Commission, 2017 Dax, T., & Oedl-Wieser, T., 2016 |
| Public-Private Partnership (PPP) Frameworks in Central Europe | Poland and Slovakia have implemented structured PPP mechanisms backed by EU cohesion policy funds, ensuring that financial support is balanced between risk-sharing and public interest | European PPP Expertise Centre (EPEC), 2022 Klijn, EH., & Teisman, G. R., 2003 |

Source: aggregate by authors

Ukraine's hybrid system is evolving, but the lack of cognitive trust and coordination mechanisms among actors remains a limiting factor. Bridging this gap requires institutional learning, donor-supported capacity-building, and financial innovations to lower entry barriers for participation.

e-ISSN 2503-426X

LEADER Program (EU): A bottom-up approach to rural development based on Local Action Groups (LAGs), combining public, private, and NGO resources to design and implement regional strategies. The approach aligns with Ukraine's decentralization goals and is already partially piloted by Ukrainian partners.

Nordic Trust-Based Governance: Emphasizes informal cooperation, autonomy of local actors, and minimal bureaucracy. Applicable to regions with high institutional trust and stable fiscal frameworks, but inspirational for Ukrainian reforms aiming to build trust and reduce overregulation.

Poland's Post-2004 EU Integration Model: Shows how institutional capacity can be rapidly scaled through EU-funded infrastructure, regional policy harmonization, and systematic engagement with civil society via structured dialogues.

The institutional landscape of Ukraine reveals a dynamic yet fragmented system of multilevel governance. On one hand, the decentralization reform and Ukraine's proactive donor engagement have produced fertile ground for innovative partnerships between the state, business, and civil society. On the other hand, institutional inertia, uneven local capacities, and cognitive barriers remain major challenges that must be addressed through long-term systemic interventions.

To systematically capture the diversity and structure of institutional and financial partnerships in Ukraine, a typology of models was developed (see Table X). This typology distinguishes among donor-driven, government-regulated, municipal, and hybrid models of cooperation, each with specific financial mechanisms and governance logics.

The table 2 provides a comparative overview of eight partnership models, categorized by their institutional type (institutional, financial, or hybrid), level of governance (national, local, multilevel), funding source, key advantages, and primary implementation barriers. The classification was informed by empirical observations and case analysis, including programs such as USAID DOBRE, U-LEAD with Europe, and municipal experiences from Vinnytsia, Lviv, and Mariupol.

Table 2. Institutional and Financial Partnership Models in Ukraine

| Model | Exampl | Governan | Fundi | Strengt | Challen |
|-------------|--------|----------|-------|----------|-----------|
| Type | e | ce Level | ng | hs | ges |
| | | | Sourc | | |
| | | | e | | |
| Institution | USAID | National | Dono | Capacit | Donor |
| al (Donor | DOBR | to Local | r | у- | depende |
| Platform) | E, U- | | Grant | buildin | ncy, |
| | LEAD | | S | g, | scalabili |
| | | | | technic | ty |
| | | | | al | |
| | | | | assistan | |
| | | | | ce | |

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| Institution | Ministr | National | State | Legal | Fragmen |
| al (Public | y of | | Budg | framew | tation, |
| Governanc | Econo | | et, | orks, | slow |
| e) | my, | | EU | strategi | coordina |
| | MinReg | | Funds | c | tion |
| | ion | | | authorit | |
| | | | | у | |
| Institution | Vinnyts | Local/Mu | Muni | Respon | Limited |
| al | ia | nicipal | cipal | sive to | resource |
| (Local/Mu | Busines | | Budg | local | s, |
| nicipal) | S | | et, | needs, | uneven |
| | Council | | Exter | civic | capacity |
| | , Lviv | | nal | trust | |
| | Citizen | | Partn | | |
| | Boards | | ers | | |
| T: 1 | | NT /* 1/ | | T. C. | т 1 |
| Financial | Waste | National/ | Privat | Infrastr | Legal |
| (PPP) | PPP in | Local | e | ucture | complex |
| | Lviv, | | Invest | develo | ity, risk |
| | ESCO | | ment | pment, | aversion |
| | energy | | + | efficien | |
| | contract | | Publi | cy | |
| | S | | C | | |
| | | | Funds | | |
| Financial | EU4Bu | Local | Blend | Promot | Weak |
| (Co- | siness, | with | ed | es | budgets, |
| Financing) | GIZ, | Donor | (Loca | owners | varying |
| | DOBR | Involvem | 1+ | hip, | donor |
| | E | ent | Dono | cost- | rules |
| | projects | | r) | sharing | |
| Financial | Vinnyts | Local | Muni | Citizen | Low |
| (Participat | ia, | | cipal | engage | funding |
| ory | Khmeln | | Budg | ment, | scale, |
| Budgeting | ytskyi | | et + | transpa | outreach |
|) | particip | | Citize | rency | limits |
| | atory | | n | | |
| | budgeti | | Vote | | |
| | ng | | | | |
| Financial | Nova | Private- | Privat | Flexibil | Voluntar |
| (CSR/Imp | Poshta | led with | e | ity, | y, lacks |
| act | Humani | Public | Secto | speed, | system |
| | tarian | Interface | r | social | |
| | | 1111011400 | 1 | 550141 | |

| Investment | Hub, | | Fundi | legitim | integrati |
|------------|----------|-----------|--------|----------|-----------|
|) | CSR | | ng | acy | on |
| | Ukraine | | | | |
| Hybrid | Trust | Multileve | Mixe | Integrat | Requires |
| Model | Funds | 1 | d | ion, co- | strong |
| | for | | (Publi | owners | coordina |
| | Recove | | c, | hip, | tion, |
| | ry, | | Privat | sustain | trust |
| | Horizon | | e, | ability | |
| | Europe | | Dono | | |
| | consorti | | r, EU) | | |
| | a | | | | |

Source: created by authors

Several key patterns emerge from this mapping:

- Donor-supported institutional platforms (e.g., DOBRE, U-LEAD) play a foundational role in capacity-building, especially at the local level, but are vulnerable to scalability and sustainability risks due to external funding dependencies.
- Public governance models operate through national ministries and provide strategic oversight, yet suffer from slow integration across sectors and fragmented implementation processes.
- Municipal partnerships and participatory mechanisms (e.g., citizen councils, participatory budgeting) are well-aligned with decentralization reforms and generate high trust and responsiveness, but are often limited in scale and budgetary scope.
- Financial mechanisms, including Public-Private Partnerships (PPPs) and cofinancing, offer potential for leveraging private investment, yet face legal, administrative, and institutional constraints that inhibit broader adoption.
- Corporate Social Responsibility (CSR) and impact investing models are gaining momentum, particularly during wartime, but remain largely voluntary and insufficiently institutionalized in policy frameworks.
- Hybrid models, such as recovery trust funds or Horizon Europe consortia, represent a promising direction for integrated, multi-stakeholder governance—though they demand high levels of coordination and trust.

Overall, this landscape reveals a fragmented but evolving ecosystem of partnerships in Ukraine, where institutional experimentation is ongoing and contextual adaptation is essential. A strategic approach is required to scale successful models, close implementation gaps, and institutionalize multilevel collaboration with predictable financial frameworks.

The analysis suggests that while multiple ministries, donor agencies, and NGOs engage in local and regional development, the absence of a unified coordination

mechanism often leads to fragmented efforts. The National Council for Recovery provides strategic direction, but its integration into everyday administrative practice remains limited. Ministries operate within their policy silos, and many local authorities struggle with over-centralized budget frameworks and complex donor reporting requirements.

Beyond formal structures, the cognitive dimension – including trust, shared mental models, and perceived legitimacy – plays a crucial role in the success of partnerships. In Ukraine, public trust in national institutions remains low, but local governance often enjoys higher legitimacy due to proximity, participatory mechanisms, and tangible results. This creates an asymmetry: successful partnerships are often hyper-localized, while national-level frameworks lack the embedded trust needed for systemic transformation.

The role of cognitive trust capital cannot be overstated. It shapes how stakeholders interpret institutional signals, manage uncertainty, and commit to long-term cooperation. Programs like DOBRE and U-LEAD have successfully increased this capital at the community level through transparent processes, co-planning, and shared resource management. Scaling these principles up to the national level remains a key challenge and opportunity.

The financial dimension of Ukraine's state-business-society cooperation is a complex mix of:

- Donor funding (often pilot-based and time-limited),
- Public funds (constrained by fiscal imbalances and procurement rigidity),
- CSR investments (growing, but still peripheral to core business models),
- PPP instruments (legally available but underutilized due to risk aversion and bureaucratic opacity).

What is missing is a cohesive financial architecture that can blend these sources into sustainable, long-term financing streams. The creation of trust funds, flexible grant pools, and outcome-based financing models could significantly enhance predictability and continuity.

International experiences, such as the EU LEADER approach or Nordic trust-based governance, offer valuable lessons but must be adapted to Ukraine's institutional context. Full replication is neither realistic nor desirable. However, selective adoption of practices – like multi-actor local action groups, impact measurement tools, and simplified public procurement for NGOs – could accelerate institutional maturity and help bridge trust gaps.

The Ukrainian experience demonstrates the emergence of a multi-layered ecosystem of institutional and financial partnerships, characterized by donor initiation but growing domestic anchoring; bottom-up innovation (e.g., participatory budgeting) alongside top-down regulation (e.g., PPP law); cognitive trust-building as a complement to legal mechanisms; increasing alignment with EU multi-level governance norms.

However, fragmentation, fiscal volatility, and underdeveloped monitoring systems continue to constrain scalability and sustainability. To move forward, Ukraine needs to

e-ISSN 2503-426X

e-ISSN 2503-426X

institutionalize successful pilots, enhance financial predictability, and mainstream civicbusiness engagement into strategic governance instruments.

CONCLUSIONS

This article highlights the importance of institutional synergy and financial support in facilitating effective partnerships between the state, business, and civil society in Ukraine. The post-war context, combined with European integration pressures, creates both opportunities and demands for structural transformation. Ukraine's pathway to sustainable development will increasingly rely on how well it fosters these multi-stakeholder partnerships – not only as a response to crisis, but as a structural model of governance.

This study explored the institutional and financial underpinnings of partnerships between the state, business, and civil society in Ukraine, placing them within the broader context of post-war reconstruction and European integration.

It demonstrates that institutional readiness is improving, especially at the local level, but requires strategic coordination across ministries and vertical levels of government; financial sustainability remains fragile and donor-dependent; structural reforms to fiscal decentralization, CSR regulation, and PPP frameworks are urgently needed and cognitive factors – such as trust, perceived legitimacy, and shared narratives – are decisive in whether partnership's function or fail.

Ukraine stands at a crossroads. The country has already demonstrated an extraordinary capacity to mobilize communities, civil society, and innovative businesses in the face of crisis. To leverage this energy for long-term development, partnerships must be institutionalized – not as ad hoc responses to emergencies, but as routine practices embedded in policy, finance, and public consciousness.

What is required now is a shift from donor-driven initiatives to domestically anchored cooperation; from isolated success stories to systemic policy learning; From cognitive scepticism to institutional trust-building.

By developing an inclusive institutional framework and a resilient financial ecosystem for partnership, Ukraine can not only accelerate its recovery but also build a democratic and economically sustainable future based on collective ownership, social cohesion, and European values.

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