Debate: **""The EU Money Puzzle: Ukraine, Poland and the Future of Structural Funds".**
27 May 2026

The debate, jointly organized by the **Warsaw Enterprise Institute (Poland)**and the **Institute for Economic Research and Policy Consulting (Ukraine),**was part of a series of events within the project **"A Common Future. Poland and Ukraine in the European Single Market."** The discussion focused on Ukraine's preparations to access EU structural funds and the lessons it can draw from Poland's experience with cohesion policy. Participants emphasized that to have an efficient access to EU funding Ukraine needs effective institutions, capable decentralization, own contributions, digitalization, expenditure control, and the preparation of local authorities and businesses to implement projects. The debate brought together representatives of public administration, local governments, business, and expert and analytical institutions from Poland and Ukraine:

1. **Michał Sobol**, Chief Specialist, Office for Polish-Ukrainian Development Cooperation, Ministry of Funds and Regional Policy;
2. **Platon Soiev**, representative of the Department of Regional Policy and Reintegration of Territories, Ministry for Development of Ukraine;
3. **Danuta Sowińska**, Deputy Director of the Department of Regional Policy, Marshal's Office of the Wielkopolskie Voivodeship in Poznań;
4. **Rostyslav Tomenchuk**, expert at the Ukrainian Institute for International Policy, former Director of the Department for the Coordination of International Technical Assistance at the Secretariat of the Cabinet of Ministers of Ukraine;
5. **Lyubov Pietrowa**, Head of the Department of Economic Development and International Cooperation of the Khotyn City Council;
6. **Bogusława Rudecka**, independent expert on structural funds.

The discussion was moderated by **Oleksandra Betliy,** Leading Research Fellow at the Institute of Economic Research and Policy Consulting. The introductory remarks on behalf of the Warsaw Enterprise Institute were delivered by **Łukasz Wojdyga**, Director of the WEI Centre for Strategic Studies.

1. **European funds as an instrument for Ukraine's reconstruction, integration, and modernization.**

The discussion was opened by **Łukasz Wojdyga**, who emphasized that Ukraine is already receiving various forms of European support, even though it is not yet a member of the European Union. The aim of the debate was to discuss how structural funds work, how Poland has used them, and what Ukraine's future accession to the EU may mean for the EU budget and current beneficiaries, including Poland.

Oleksandra Betliy noted that EU structural funds are of strategic importance for Ukraine. The country is undergoing reconstruction, preparing for European integration, and, at the same time, learning from mechanisms that played a major role in Poland's modernization. Poland had prepared for EU membership even before accession and later made effective use of the opportunities offered by European funds.

Michał Sobol explained that cohesion policy is one of the European Union's main instruments for reducing social, economic, and territorial disparities. As he emphasized, the EU is based on the principles of the free market, but it must also counteract situations in which stronger regions and countries increase their advantage even further. Structural funds are therefore not merely a form of financial assistance, but a mechanism for balancing development.

Platon Soiev presented the Ukrainian perspective on preparations for cohesion policy. He indicated that Ukraine is working on a roadmap for the implementation of actions from Chapter 22 of the accession negotiations, covering regional policy and the coordination of structural instruments. The road map for Chapter 22 is due to be presented this June in Kyiv. Ukraine's government has approved the National Program for the Adaptation of Ukrainian Legislation to EU Law setting 7 goals and 23 tasks under Chapter 22 all to be completed by the end of 2027. The European Commission defined 8 benchmarks for this Chapter. He stressed that funds should be allocated according to the real needs of specific territories, rather than solely on the basis of centrally defined schemes. European funds can serve as an instrument of reconstruction and modernization for Ukraine, but only if they are linked to institutional reform, decentralization, strategic planning, and the administration's actual capacity to manage large public programs.

2. **The Polish model as an important lesson, but not a ready-made template to copy.**

Michał Sobol outlined the basic principles of how structural funds operate: seven-year financial perspectives, the EU's multiannual budget, EU regulations, the partnership agreement, national and regional programs, and the principle of shared management. He emphasized that a member state cannot deliberately use received funds. Each country negotiates strategic documents with the European Commission, which then defines the priorities for the development of countries. On the basis of the respective strategies and priority member states plan their own expenditure, implement projects, and bear full responsibility for the proper use of funds.

Danuta Sowińska explained the same process from a regional perspective. She recalled that the first Polish financial perspective after joining the EU remained highly centralized, but in the following years the role of voivodeships increased significantly. From Wielkopolska's perspective, this was a breakthrough because regions know their own needs, development barriers, and local potential better than the central administration does. European structural funds enabled investments in transport, healthcare, education, entrepreneurship, social projects, and local development. Today, Wielkopolska ranks third among Polish regions by economic performance with GDP per capita of approximately PLN 102,000, unemployment below 2%, and around 105 registered companies per 1,000 residents – concrete evidence of what combining regional autonomy with clear procedures and sustained infrastructure investment can achieve.

At the same time, **Rostyslav Tomenchuk** warned against mechanically copying the Polish model. He pointed out that Poland did not build everything from scratch, but used existing institutions and adapted them to European requirements. For Ukraine, this means a realistic assessment of its institutional resources: what already works, what requires changes, and what must be created anew.

Platon Soiev also noted that the Polish model is an important point of reference for Ukraine, particularly given its administrative and territorial similarities. However, he stressed that it must be adapted to Ukrainian realities: war, reconstruction, decentralization, uneven destruction, limited financial resources, and the diverse needs of local governments. Poland can be a very valuable source of experience for Ukraine, but Ukraine should create its own cohesion policy system: based on Polish experience yet adapted to its own state structure and wartime conditions.

3. **Institutional architecture: a clear division of responsibilities.**

Michał Sobol explained that the European Union does not impose a single, detailed institutional model for managing structural funds across all countries. In different countries, fund-related functions may be performed by ministries, agencies, or other administrative bodies. What is crucial, however, is that roles are clearly assigned and that the system operates effectively. In the Polish model, the key coordinating role is played by the Ministry of Funds and Regional Policy. It is responsible for the coherence of the entire system, coordination of the partnership agreement, negotiations with the European Commission, interpretation of rules, monitoring of programs, and support for managing authorities. Alongside it, there are managing, intermediate, implementing, and audit institutions. It is particularly important that the audit institution be functionally independent from the managing authorities.

Danuta Sowińska complemented this perspective by pointing out that, at the regional level, this entails a very high level of responsibility for voivodeship self-governments. As managing authorities, regional governments not only distribute funds, but are also responsible for project selection, oversight, settlements, and addressing any irregularities. Decentralization of funds, therefore, does not simply mean transferring money to a lower level but requires the professionalization of regional administration.

Rostyslav Tomenchuk noted that creating new institutions should not be an end in itself. Ukraine should first clearly define the competencies of individual institutions and their role within the overall system, and only then determine which European programs should be handled by the appropriate institutions.

4. **Decentralization and local governments: funds must go below the central level.**

Decentralization featured prominently in the discussion. **Platon Soiev**emphasized that Ukraine wants to adopt a territorial approach, meaning that European support should be directed on the basis of a real diagnosis of the needs of specific regions. This is particularly important in wartime conditions, as conditions across territories vary greatly. Frontline areas have different needs; western regions face different challenges; large cities require different forms of support; and hromadas that have received internally displaced persons face yet another set of priorities.

Rostyslav Tomenchuk, however, noted that genuine decentralization cannot be limited to mere declarations. If Ukraine creates only a few national programs, while regions merely implement decisions made by the center, it will be difficult to speak of a truly territorial approach. In his view, one of the most important elements of the Polish experience was the existence of regional programs, separate allocations for voivodeships, and the ability to manage funds as close as possible to local needs. He also pointed out that Ukraine has not amended its basic law on the principles of regional policy in four years of candidate status, and that the partnership principle exists largely on paper. Centralizing implementation through a single national platform, he warned, risks repeating a post-Soviet subvention logic rather than building a genuine multi-level system.

Lyubov Pietrova highlighted the practical dimension of this approach, citing the experience of the Khotyn hromada in international projects, including those implemented under Interreg, URBACT, and Horizon Europe. Local governments are already learning to operate within European project mechanisms. At the same time, they face staffing, formal, language, and financial barriers. Local administration must be able to prepare a project, find partners, secure its own contribution, carry out reporting, and settle the funds.

Danuta Sowińska emphasized that regions can manage funds effectively only if they have the necessary skills and competencies, procedures, and accountability. Simply transferring money to a lower level is not enough. Systems for project selection, control, monitoring of results, and responding to irregularities are also necessary. Ukraine should therefore prepare for the absorption of European funds not only at the ministerial level, but especially at the local level, because in practice, local governments will be responsible for a large share of infrastructure, social, environmental, and development projects.

5. **Own contribution and absorption capacity: EU funding is not enough without domestic resources.**

One of the most practical topics of the debate was the issue of own contribution. **Platon Soiev** pointed out that in wartime conditions, it may be very difficult for Ukrainian local governments to co-finance investment projects. For this reason, Ukraine is considering reforming the State Fund for Regional Development (SFRD), which could, in the future, support regions, including by helping them secure their own financial contributions. The current SFRD budget of UAH 2 bn in 2026 was explicitly characterized as insufficient for the scale of reconstruction and development needs ahead.

Danuta Sowińska showed that in Poland, the level of own contribution changed along with the development of individual regions. The wealthier a region became, the higher the share of co-financing should be. In practice, this meant developing repayable instruments, loans, revolving funds, and more advanced investment financing models.

Lyubov Pietrova presented the same problem from the perspective of hromadas in Ukraine. Even when an attractive program appears, the local community must secure funds in its budget, persuade councilors, find competent staff, and assume responsibility for implementing the project. The own contribution is therefore not only a financial category but also a political, administrative, and organizational barrier.

Bogusława Rudecka also addressed this issue, noting that a well-prepared project requires not only an idea but also organizational backing, personnel, procedures, accounting and reporting capacity, and funds for indirect costs. This applies to both local governments and entrepreneurs. Ukraine should not measure its readiness solely by the amount of potential EU funding. What will be crucial is actual absorption capacity: the ability to prepare a project, secure own contribution, carry out procedures, settle costs, and maintain results after the end of financing.

6. **Digitalization, audit, and control: a condition for trust in the system.**

An important theme of the debate was the system's transparency. **Danuta Sowińska** emphasized the need to digitize the entire process of fund implementation. Electronic applications, correspondence, digital signatures, payment requests, controls, and audit trails enable more effective project monitoring, limit discretion, and facilitate auditors' work. Digitalization is therefore not merely a technical addition, but an element of system security.

Michał Sobol also pointed to the importance of an independent audit. In the Polish model, the audit institution must be functionally independent from the managing authorities. Its task is to verify whether the management and control system operates properly, whether expenditures are legal, and whether systemic errors occur.

Bogusława Rudecka complemented this topic from a practical perspective, noting that the system must be robust enough to protect funds from abuse, corruption, and fictitious projects. At the same

time, it cannot be so bureaucratic as to discourage honest beneficiaries and block valuable initiatives. An excess of procedures does not always increase security and often leads to formalism.

7. **Business and local governments as future beneficiaries: the need for competencies, staff, and project preparation**

The debate underscored that future beneficiaries of European structural funds in Ukraine must begin preparing now. **Bogusława Rudecka** noted that in Poland, European funds played a very important role in modernizing enterprises, supporting investments, innovation, digitalization, robotization, and research and development. Ukraine may be able to use a similar impulse in the future, but entrepreneurs must learn the rules for submitting applications, settling costs, documenting expenditures, and meeting formal requirements.

Michał Sobol recalled that the cohesion policy covers not only infrastructure, but also investment in people. For Ukraine, this will be particularly important in the context of rebuilding the labor market, the return of refugees, the integration of displaced persons, and the adaptation of qualifications to the economy's needs.

Lyubov Pietrova explained that a lack of competencies may be one of the main barriers at the local level. Hromadas need people who know English, grant procedures, reporting rules, and international cooperation. Sometimes, a single highly competent person can significantly increase a local community's capacity to participate in European projects.

Danuta Sowińska, in turn, emphasized that the professionalization of regional and local administration is a long-term process. Regions must learn not only how to write projects but also how to select, monitor, control, evaluate, and take responsibility for their results. The effectiveness of European funds depends largely on the quality and preparedness of beneficiaries: local governments, enterprises, non-governmental organizations, universities, and public institutions. Preparation for cohesion policy must therefore cover the entire ecosystem, not only the central administration.

8. **Poland and Ukraine on the future EU budget: a common cohesion agenda.**

In the final part of the debate, the issue of Ukraine's future place in the European Union budget was raised. In his introductory remarks, **Łukasz Wojdyga** noted that Ukraine's accession would be significant not only for Ukraine itself, but also for current beneficiaries of EU funds, including Poland. The accession of a large country with enormous development needs will affect the financial and political balance across the entire EU.

Michał Sobol pointed out that, after accession, Ukraine would become a natural recipient of funds and therefore a potential ally of Poland in defending a strong cohesion policy. Poland and Ukraine may share a common interest in maintaining a high level of funding for regional development, infrastructure, social investment, reconstruction, and in reducing territorial disparities.

Platon Soiev noted that Ukraine does not yet have a clear picture of the financing from structural funds, as these will depend on many factors, including population size and regional conditions. However, it is already clear that this may involve a potentially very large stream of funding – a preliminary estimate of EUR 90-100 billion was mentioned, roughly comparable to Poland's current allocation, though precise figures depend on stable population and regional data not yet available – which makes proper preparation all the more necessary. Poland and Ukraine should already be developing a common agenda for the future of cohesion policy, which could serve as the foundation for a long-term partnership.

Key conclusions and recommendations

The debate showed that EU structural funds may become one of the most important instruments for Ukraine's reconstruction and modernization. However, their effective use will depend not only on the scale of future allocations but above all on the quality of institutions, the degree of decentralization, administrative competencies, the preparedness of beneficiaries, and the system's resilience to bureaucracy, errors, and corruption.

The discussion defines the following recommendations:

1. Build a clear institutional system for cohesion policy in Ukraine. Ukraine should precisely function the roles of institutions in coordinating, management, intermediate, implementation, and audit functions, while applying and using financing from EU structural funds.
2. Do not mechanically copy the Polish model. Poland may serve as an important point of reference for Ukraine, but the Ukrainian system must be adapted to the realities of war, reconstruction, decentralization, and territorial diversity.
3. Strengthen the regional and local dimensions. Ukraine should aim to develop genuine regional programs and increase local government involvement in diagnosing needs and preparing projects.
4. Develop the principle of partnership with stakeholders. Partnership should not be limited to formal consultations. Local governments, civil society organizations, entrepreneurs, experts, and universities should participate in diagnosis, programming, monitoring, and evaluation.
5. Organize and harmonize existing national, regional, and local strategies and link them to accession negotiations. Ukraine should reduce the number of inconsistent strategic documents and establish a clear hierarchy of development goals, from the national to the regional to the local level. These strategies should then serve as the basis for firm negotiations with the European Commission, so that future programs financed by structural funds reflect not only the EU's general priorities, but also Ukraine's real needs and interests.
6. Create mechanisms to finance own contributions and project management. Without co-financing support, many local governments will not be able to implement European projects. The institutional model being developed should also provide funding for administrative support, training, monitoring, communication, control, and evaluation.
7. Invest in the staff of local and regional administration. Local governments need employees who are fluent in foreign languages, familiar with EU procedures, and proficient in project management, reporting, auditing, and public procurement.
8. Introduce full digitalization of procedures. Electronic applications, digital signatures, correspondence, payment requests, and audit trails should be the standard from the outset of the system's development.
9. Avoid excessive bureaucracy. The procedures being created must protect public funds, but they must not block valuable projects or discourage honest beneficiaries.
10. Strengthen the anti-corruption and audit systems. Ukraine needs independent auditing, transparent project selection criteria, a system for detecting irregularities, and clear accountability for managing institutions.
11. Prepare entrepreneurs to use funds. Ukrainian businesses should already be developing competencies in European projects, cost settlement, innovation, digitalization, green procurement, and horizontal principles.

12. Build a common Polish-Ukrainian cohesion agenda. After accession, Ukraine may become Poland's natural ally in defending a strong cohesion policy. It is worth preparing common positions now on regions, infrastructure, reconstruction, and cross-border cooperation. The consequences of Ukraine's accession for current beneficiaries should be communicated transparently. Ukraine's future membership may alter the distribution of funds in the EU budget. What is needed is an intra-EU debate grounded in data, not in fears, myths, and political simplifications.