

RESILIENCE AND DIGITAL TOOLS OF FISCAL DECENTRALIZATION IN THE CONDITIONS OF WAR AND POST-WAR TRANSFORMATION OF THE ECONOMY

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Abstract. *The article explores the conceptual foundations of fiscal decentralization resilience in the context of the war and post-war transformation of Ukraine's economy. The author's approach to understanding the fiscal resilience of local governments as the ability of local budget systems to adapt to asymmetric shocks, maintain functional capacity, and accelerate the recovery of socio-economic functions in conditions of instability is substantiated. Digital tools of fiscal decentralization (ProZorro, E-data, Diia, etc.) are systematized, and their impact on increasing the stress resistance of local budgets is assessed. Based on the author's methodology, a composite resilience index of fiscal decentralization is built, showing positive dynamics in 2023 compared to 2022. Recommendations for integrating digital platforms into budget mechanisms are formulated.*

Keywords: *Fiscal decentralization, local budget resilience, digital tools, war economy, recovery of Ukraine, local self-government, budget stability.*

The full-scale invasion of Ukraine by the Russian Federation in February 2022 caused an unprecedented structural shock to the entire public financial system. In this context, local self-government has emerged as both a primary subject of the crisis and a key instrument for recovery. This study focuses on the conceptual foundations of fiscal decentralization resilience, defined as the ability of local budget systems to absorb shocks, adapt to new institutional environments, and accelerate the restoration of socio-economic functions.

The research aims to provide a theoretical substantiation and practical assessment of fiscal resilience as a qualitative characteristic of local finances, emphasizing the role of digital tools. The author's conceptual model integrates theories of fiscal federalism, complex system resilience, and digital governance. It identifies six structural blocks influencing resilience: fiscal autonomy, digitalization level, transparency, revenue diversification, intergovernmental equalization quality, and crisis management capacity.

Statistical analysis of Ukraine's local budget revenues (2015–2025) reveals significant growth prior to the invasion, followed by a critical decline in 2022. The share of local budgets in the consolidated budget dropped to 39.8% in 2022, though a partial recovery was observed in 2023. A central finding is that digital infrastructure, built before the war, became a cornerstone of resilience. Platforms like ProZorro ensured the continuity of public procurement, while the Diia platform facilitated social assistance for over 2.4 million displaced persons. Geoinformation systems (GIS) proved vital for accounting for

infrastructure damage and planning reconstruction.

The author introduces the Integrated Fiscal Decentralization Resilience Index (IFDRI), synthesizing four dimensions: absorptive, adaptive, transformative capacities, and digital resilience. The index demonstrates a positive shift from 4.4 in 2022 to 5.6 in 2023, reflecting the system's growing adaptive capacity. The study concludes with recommendations for further digital integration to ensure long-term fiscal stability and effective post-war recovery planning.

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