

DECENTRALIZATION IN UKRAINE

This monthly newsletter is a brief overview of Ukrainian authorities' work on implementation of Reform #1 in Ukraine

APRIL 2017



Own Resources of Local Budgets Continue to Increase

Experts from the Central Office for Reforms operating at the Ministry of Regional Development with the assistance of the U-LEAD with Europe: Ukraine Local Empowerment, Accountability and Development Programme represented the results of financial decentralisation in the 1st quarter of 2017.

The earned revenues of local budgets totalled UAH 41.6 billion or 38% more than in the same period in the previous year.

The earned revenues of the 159 amalgamated territorial communities (established in 2015) in the first quarter of 2017 totalled UAH 910 million, that is, UAH 302 million or 49.7 % more than in the same period in the previous year.

The own resources of local budgets of the 207 amalgamated territorial communities (established in 2016) totalled UAH 994 million, that is, by UAH 681 million or 3.2 times more than in the same period in the previous year.

SOURCE: [DECENTRALIZATION OF POWER WEB-SITE](#)

The Matter of Amalgamation of Communities from Different Rayons has been Determined in the Law

On 16 April 2017, the Law regarding the peculiarities of voluntary amalgamation of territorial communities located in the territories of neighbouring Rayons has become effective, which law allows holding the first elections in a number of already amalgamated communities.

The law sets forth the sequence of actions to be taken in the process of establishment of amalgamated communities comprising local councils in different Rayons or in the event of amalgamation of communities with a city of Oblast subordination. It is expected that, after the law becomes effective, the Central Election Commission will have indisputable grounds to call the first local elections in more than 30 amalgamated communities waiting for such an event for more than one year.

In addition, the law will allow completing the process of amalgamation of dozens of communities established at the boundary of Rayons which, because of the position of the Central Election Commission, were not in hurry to make their final decision.

"I expect that, with this Law in place, any unwarranted restrictions of rights will be over, which restrictions pertain to those amalgamated communities comprising settlements of any neighbouring Rayons or which have amalgamated with the cities of Oblast subordination and where approximately 400 thousand residents leave. If, not long ago, the Central Election Commission required that additional legal grounds should be provided to it to call the first local elections, now it has obtained such legal grounds. I would like to believe that this time the Commission will not look for any new pretexts and will not delay in passing affirmative resolutions and will call the first elections in the nearest future in those communities which have been waiting for such event for a year, and some of them, for two years. Those resolutions will be also a signal for other communities planning to amalgamate with or accede to the existing amalgamated territorial communities within the boundaries of neighbouring Rayons ", **First Deputy Minister of Regional Development, Construction, and Housing and Communal Services of Ukraine Viacheslav Nehoda**

SOURCE: [DECENTRALIZATION OF POWER WEB-SITE](#)

Law Providing for the Independence of Health Care Institutions has been Adopted

On 6 April 2017, the Verkhovna Rada of Ukraine adopted the Law providing for the independence of state-financed and municipally-owned health care institutions.

Now, subject to a resolution made by a local authority, the municipally-owned health care institutions may operate independently: have their own accounts with banks, determine the manning table and salaried staff policy by themselves, be energy efficient, etc.

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413 Amalgamated Communities have been Already Established in Ukraine

On 30 April 2017, the first elections of local chairpersons and members of councils were held in 47 amalgamated territorial communities.

Thus, in general, there were established 413 new communities in Ukraine by having amalgamated approximately 2 thousand former local councils.

More than 100 amalgamated territorial communities are at the final stages of their establishment.

SOURCE: [DECENTRALIZATION OF POWER WEB-SITE](#)

Sectoral Decentralisation is among the Priorities of the Government over the Period until 2020

On 3 April 2017, the Cabinet of Ministers of Ukraine presented the Priority Action Plan over the period until 2020.

The Plan sets out specific steps to be made by the Government with the aim of development of a uniform educational, cultural, physical training and sports, and social space in communities, for the formation of hospital districts, optimisation of the system of underfunded schools and the formation of pivotal educational institutions, further development of administrative service centres, etc.

"It is important that a medium-term route map has been approved for the first time ever, which map allows the communities planning their budgets, their development not for a year but for a long term, and strictly following that plan", Vice-Prime Minister - Minister of Regional Development, Construction and Housing and Communal Services of Ukraine Hennadii Zubko.

SOURCE: [DECENTRALIZATION OF POWER WEB-SITE](#)

10% of Resources of the State Fund for Regional Development will be Channelled to the Projects in each of Sports Infrastructure and Energy Efficiency Areas

On 5 April 2017, the Cabinet of Ministers of Ukraine passed the Resolution whereby 10% of the resources of the State Fund for Regional Development would be channelled to financing sports infrastructure investment projects, and 10%, to energy efficiency projects of the state-financed and municipally-owned educational and health care institutions.

SOURCE: [DECENTRALIZATION OF POWER WEB-SITE](#)

Sustainable Mobility Comes to Ukraine

In April 2017, representatives of the Sustainable Mobility Project of the GIZ Head Office arrived to Ukraine to study the possibilities of providing support to Ukraine on the part of the U-LEAD with Europe Programme in the area of transport and mobility at the local, regional, and national levels.

One of the mission's key tasks includes the identification of possibilities of deeper interaction from the point of view of mobility, as well as the assessment of key needs of the amalgamated territorial communities, for instance, regarding the organisation of local tenders for public transport services, planning and maintenance of the transport infrastructure, measures aimed at controlling the weight of transport facilities, school bus programmes, access to health care institutions and other social services, etc.

Further plans of the project include the preparation of training courses on mobility for the amalgamated territorial communities and other key stakeholders, sharing of samples and experience of mobility concepts in rural areas in Europe, and submission of amendments to the National Transport Strategy until 2030 regarding the decentralisation reform.

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25 More Amalgamated Communities have Become Participants of the DOBRE Project

On 26 April 2017, 25 more amalgamated communities were announced in Kyiv, which communities would become participants of the USAID funded Decentralization Offering Better Results and Efficiency (DOBRE) programme.

The selected 25 communities include six communities from each of Dnipropetrovsk and Ternopil Oblasts, five from Mykolayiv, three from Ivano-Frankivsk, two from each of Kherson and Kirovohrad Oblasts, and one from Kharkiv Oblast.

As is known, the first 25 amalgamated communities which would obtain support from the USAID funded DOBRE programme were announced on 25 October 2016.

"We expect that all communities participating in the Programme will for sure become the image of decentralisation, and their representatives will become the agents of changes at the local level. Owing to the international assistance, those communities now have obtained additional capabilities to demonstrate rapid changes, become a model for others in the preparation and implementation of their own development strategies, in the enhancement of the level of educational, medical, social, administrative, and other services to the residents, in the implementation of infrastructure projects, in the efficient use of funds, and, in general, in dealing most of local issues", **First Deputy Minister of Regional Development, Construction, and Housing and Communal Services of Ukraine Viacheslav Nehoda.**

SOURCE: [DECENTRALIZATION OF POWER WEB-SITE](#)

The Government has Approved a Package of Draft Laws on the Health Care Reform

On 5 April 2017, the Cabinet of Ministers of Ukraine approved a package of draft laws on the health care reform which would allow changing the financing of the system so that it would be capable to provide high-quality health-care services and be in line with the decentralised system of government in the country.

The package submitted to the Verkhovna Rada contains four draft laws:

- "On Government Financial Guarantees Regarding the Provision of Health-Care Services and Medicinal Products",
- "On Amendments to the Budget Code of Ukraine Regarding Primary Care Expenditures",
- Amendments to the Fundamental Principles of Legislation of Ukraine on Health Care (amendments to Articles 3, 8, and 35)
- "On Additional Government Financial Guarantees Regarding the Provision of Health-Care Services and Medicinal Products to Persons Safeguarding the Independence, Sovereignty, and Territorial Integrity of Ukraine in the Antiterrorist Operation and Ensuring the Maintaining of the Operation".

"In case these draft laws are supported by the Parliament, the Ukrainian health care system will be absolutely different in terms of quality in a few years. Notwithstanding the hardships, we, jointly with the health care community, will be able to do this work", **Prime Minister of Ukraine Volodymyr Groysman**

SOURCE: [DECENTRALIZATION OF POWER WEB-SITE](#)

Integrated Approach to the Establishment of Security Centres in Communities has been Presented

On 25 April 2017, the State Emergency Service of Ukraine presented an integrated approach to the establishment of Security Centres at the community level.

Each such Centre will comprise a fire safety station, local police officer's office and, when required, a medical and obstetrical station.

The cost of a basic Security Centre totals UAH 2.3 million, and optimal one, UAH 3 million.

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The Project for the Development of a New Educational Environment in 200 Ukrainian Schools has been Launched

On 25 April 2017, the Ministry of Regional Development and the Ministry of Education started joint project for the development of a new educational environment in 200 Ukrainian schools in 2017.

The purpose of the project is to develop a comfortable educational environment both in terms of equipment and technical support for schools and improvement of the educational process.

There are several sources of financing the project: resources of the State Fund for Regional Development, the government grant for the formation of infrastructure of the amalgamated communities, the government grant from the state budget for social and economic development of certain territories, the educational government grant, local budgets, and funds of the international technical assistance.

SOURCE: [DECENTRALIZATION OF POWER WEB-SITE](#)

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Press center of Government Initiative [“Decentralization of Power”](#)

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