

DECENTRALIZATION IN UKRAINE

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

DECEMBER 2018



Local Budgets have Increased up to UAH 173.5 Billion

Over the period of 11 months of 2017, the revenues of the general fund of local budgets in Ukraine totalled UAH 173.5 billion. That is 96.7 % of the approved annual budget.

In comparison with the same period of 2016, the revenues of local budgets increased by UAH 41.6 billion or by 31.5%.

The planned annual figures have been already achieved by most local budgets.

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

Earned Revenues of the Amalgamated Communities Total UAH 8.3 Billion

Over the period of 11 months of 2017, the earned revenues of local budgets of the 366 amalgamated territorial communities that were established in 2015-2016 increased by 84.4 % and totalled UAH 8.3 billion (+ UAH 3.8 billion).

The planned annual targets have already been exceeded by 264 budgets (that is, 72%) of the 366 amalgamated communities.

The average per capita amount of influx of the earned revenues in the amalgamated territorial communities increased by UAH 1,225 and totalled almost UAH 2,677.

Inclusive of inter-budget transfers from the state budget, the revenues of the general fund of local budgets of the 366 amalgamated territorial communities totalled UAH 26.1 billion.

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

The First Elections were Held in 51 Amalgamated Communities

On 4 December 2017, the first elections of local chairpersons and members of councils were held in 51 amalgamated territorial communities. The total number of inhabitants in those communities is approximately 375 thousand persons.

Altogether, as of mid-December of 2017, there are 692 amalgamated territorial communities established in Ukraine. 31 of those ATCs are looking forward to the decision of the Central Election Commission on calling such elections.

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

Amendments Regarding Voluntary Accession of Territorial Communities were Made to the Budget Code

On 7 December 2017, the Verkhovna Rada of Ukraine adopted amendments to the Budget Code.

Those amendments, in particular, grant the right to the communities which have joined the already amalgamated territorial communities to go over to direct transfers with the state budget.

In Ukraine, there are many instances of joining communities that have amalgamated earlier. However, the matter of their transfer to direct inter-budgetary relations has not been governed by law until now.

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The Ministry of Regional Development Published Monitoring Data on the Decentralisation

On 13 December 2017, the Ministry of Regional Development published updated monthly monitoring data on the decentralisation and reforming of local self-government process.

According to the monitoring, the top five Oblasts in the ATCs establishment rating include the following: Zhytomyr, Khmelnytskyi, Chernihiv, Dnipropetrovsk, and Volynska Oblasts.

The monitoring data traditionally show the increase of earned revenues of local budgets - presently, this indicator has reached UAH 173 billion. But at the same time, the fund balance of local budgets increases, which balance totals approximately UAH 80 billion in the aggregate, including UAH 14.6 billion on deposit accounts.

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

"Initiatives Changing Life" - II Forum of Amalgamated Communities Took Place in Kyiv

On 4 December 2017, the II All-Ukrainian Forum of Amalgamated Communities "Initiatives Changing Life" took place in Kyiv, with the participation of heads of the 665 already established amalgamated communities, President Petro Poroshenko, Prime Minister Volodymyr Groysman, Chairman of the Verkhovna Rada (Parliament) Andrii Parubii, Vice-Prime Minister - Minister of Regional Development, Construction and Housing and Communal Services of Ukraine Hennadii Zubko, other representatives of central authorities, as well as experts and international partners.

The event was intended to get together the local self-government of communities, the business community, governmental agencies, diplomatic missions, international technical assistance projects in dealing with the matters of local economic development, encouragement of investments, and development of the small and medium business.

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

Parliamentary Committee Upheld a Draft Law on the Establishment and Liquidation of Local State Administrations

On 20 December 2017, the Verkhovna Rada of Ukraine Committee on State-building, Regional Policy and Local Self-government recommended to the Parliament to take draft law No. 6641, as developed by the Government, regarding the establishment, reorganisation, and liquidation, naming and renaming of local state administrations as a basis.

The draft law grants the Cabinet of Ministers, in the event of any change in the administrative-territorial system at the level of Rayons, to establish, reorganize, liquidate, name and rename respective local state administrations.

As of today, there are nine amalgamated territorial communities whose boundaries entirely coincide with the boundaries of respective Rayon. And in future, the number of such communities will increase. In those territories, the powers of state administrations and executive bodies of amalgamated communities are overlapped. The problem can be solved by changing the administrative-territorial system at the level of Rayons resulting either in reorganisation or liquidation of the respective administration.

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

Transfer of State-Owned Lands in Ownership to Amalgamated Communities - the Verkhovna Rada Committee Supported the Presidential Draft Law

On 20 December 2017, the Committee on Agrarian Policy and Land Relations recommended to the Verkhovna Rada of Ukraine to adopt as a basis the Draft Law on Promotion of the Establishment and Operation of Small Farming Enterprises and Deconcentration of Powers in the Area of Land Relations (No. 7363).

The Draft Law stipulates for the transfer of state-owned lands located in their entire territory in municipal ownership to the amalgamated territorial communities. It will allow the amalgamated communities receiving additional funds for the development of infrastructure, as well as encourage the remaining village, town, and city councils to amalgamate.

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Draft Law on the Development of Mountain and Highland Territories has been Adopted

On 27 December 2017, the Cabinet of Ministers of Ukraine approved a draft law on the status of highland establishments and provision of additional state guarantees thereto.

The draft law provides for higher multiplying factors for mountain and highland settlements when calculating the health care and educational subsidies, taking measures for bank strengthening, water supply, and construction of sewage treatment facilities, as well as developing and funding state programmes to encourage the development of transport and social infrastructure, business development, increase in employment level, improvement of ecological situation, etc.

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

The Reform of Rural Health Care has been Launched in Ukraine

On 28 December 2017, President of Ukraine Petro Poroshenko signed the Law "On Improvement of Accessibility and Quality of Health Care Services in Rural Areas".

The Law is intended to resolve the problem of the critical state of health care services in rural areas. The primary purpose is to ensure preventive medical examination of proper quality in rural areas, early detection of diseases, system-based observation of certain patient populations, and preventive medicine and rehabilitation.

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

The Government Approved Documents to Implement the Health Care Reform

On 27 December 2017, the plan of major reforms in the health care system for 2018 was presented and key documents to launch changes in the delivery of primary care were adopted at the meeting of the Cabinet of Ministers of Ukraine.

Already in January of the next year, the Oblast State Administrations have to submit to the Ministry of Regional Development their proposals in relation to projects and measures to be financed for account of a governmental grant from the state budget for the development of health care system in rural areas.

The amount of the governmental grant is equal to UAH 4 billion in total. The funds will be channelled to:

- construction of health care institutions in rural areas;
- purchase of medical equipment for health care institutions in rural areas;
- development of telecommunication infrastructure;
- provision of housing and motor transport to health care professionals working in rural areas.

Subsequently, the facilities funded through the governmental grant will be financed or maintained at the expense of local budgets.

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

A Model of Youth Policy Implementation in the Conditions of Decentralisation has been Developed

On 21 December 2017, a model of youth policy implementation in the conditions of decentralisation was approved at the meeting of the Board of the Ministry of Youth and Sports.

They believe at the Ministry that the implementation of an efficient youth policy in the conditions of decentralisation is only possible provided that the efforts and activities of executive authorities, local self-government bodies, and youth representatives are united and coordinated.

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OECD Recognised the Success of Decentralisation in Ukraine

On 8 December 2017, Vice-Prime Minister - Minister of Regional Development, Construction and Housing and Communal Services of Ukraine Hennadii Zubko presented the results of the decentralisation in Ukraine to the Organization for Economic Cooperation and Development (OECD).

The OECD has positively appreciated the progress of the reform and will continue to provide support in the implementation thereof.

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

US Volunteers will be Engaged in the Development of Amalgamated Communities

On 5 December 2017, the Memorandum of Cooperation between the Ministry of Regional Development and the United States Peace Corps was signed as part of the "Community Development" project.

It is expected that volunteers of the Peace Corps will work in communities and help the bodies of local self-government to develop leadership skills, improve the efficiency of their officers, teach to organize a volunteer project or public event, engage individuals and entrepreneurs in resolving local problems, etc.

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

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

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