

DECENTRALIZATION IN UKRAINE

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

JANUARY 2018



Local Budgets: Results of 2017

Over the period of January to December 2017, the revenues of the general fund of local budgets in Ukraine (net of inter-budgetary transfers) totalled UAH 192 billion, which figure exceeded the forecast indicators by UAH 21.3 billion. In comparison with 2016, the revenues of local budgets increased by UAH 45.4 billion or by +31%.

That proves the fact of increased interest on the part of local self-government bodies to increase the revenues of local budgets, carry out measures regarding the search of reserves to be pumped to the budgets, and improve the efficiency of taxes and duties administration.

The share of financial resources received by local budgets from the state budget totals 50%, that is, the local authorities are the owners of a half of financial resources in the consolidated budget.

The share of local budgets in the consolidated budget totals 50%, that is, the local authorities have a substantial financial resource at their disposal to efficiently manage and channel it to the development of communities (50/50, in their relations with the state).

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

Earned Revenues of the Amalgamated Communities Total UAH 9.3 Billion

In 2017, the earned revenues of local budgets of the 366 amalgamated territorial communities, which transferred to direct inter-budgetary relations with the state budget in 2017, increased by 87 % and totalled UAH 9.3 billion (+ UAH 4.3 billion).

Calculated per resident of an ATC, the average amount of influx of the earned revenues increased by UAH 1,391 and totalled UAH 2,989.

Overall, that is, inclusive of inter-budget transfers from the state budget, the revenues of local budgets of the 366 amalgamated territorial communities totalled UAH 28.8 billion.

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

The Ministry of Regional Development Published Monitoring Data on the Decentralisation

On 11 January 2018, the Ministry of Regional Development published monthly monitoring data on the decentralisation of power and local self-government reforming process, which monitoring shows the indicators for December 2017.

According to the monitoring data, as of the beginning of January, 3,246 territorial communities had amalgamated with the aim of substantially changing the life of their residents forever. Jointly, they formed 699 amalgamated territorial communities.

The rate of amalgamated communities establishment is rather rapid when compared with such reform in other European countries.

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

Government Support for the Development of Territories Totals UAH 37.8 Billion in 2018

Approximately UAH 37.8 billion is allocated in the State Budget for the development of territories. This amount is net of the government grants for education and health care, additional subsidies, and social security allowances and subsidies.

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Amalgamated Communities Used 95% of the Government Grant for the Development of Infrastructure in 2017

The 366 amalgamated territorial communities which received the government grant for the development of infrastructure used 95% of the funds. The total amount of the governmental grant was equal to UAH 1.5 billion. Also, there were used funds in the amount exceeding UAH 90 million as allocated by the local budgets.

Those funds were channelled to the implementation of 2,265 projects, in particular, for schools, kindergartens, school buses, roads, special-purpose vehicles, etc.

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

399 Regional Development Projects are Completed within the Framework of the State Fund for Regional Development

In 2017, 790 investment programmes were initiated in the regions of Ukraine within the framework of the State Fund for Regional Development (SFRD). 399 facilities were completed and put into operation.

A record-breaking amount of funds - almost UAH 1.17 billion - was allocated in local budgets in the course of 2017 for the co-financing of projects within the framework of the SFRD. It is more than 33 % of the total funding provided by the State Fund for Regional Development, which funding totalled UAH 3.5 billion in the previous year. For this purpose, the committed co-financing by local budgets of the SFRD projects totals 10 %.

In 2018, the amount of financing by the State Fund for Regional Development has increased up to UAH 6 billion.

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

Land will be Given to the Amalgamated Communities by the End of Year

On 31 January 2018, the Government made an order pursuant to which the State Service of Ukraine for Geodesics, Mapping and Cadastre was required to transfer the state-owned lands outside the boundaries of settlements in municipal ownership to the amalgamated territorial communities by the end of 2018.

The land transfer algorithm provides for the following four stages:

- The ATC files an application to the Oblast Department of the State Service of Ukraine for Geodesics, Mapping and Cadastre,
- A stock inventory of land in the ATC's territory is carried out, which land has not been transferred for use prior to such stock inventory,
- The land plots included in the inventory are registered with the state cadastre,
- The land is transferred in municipal ownership to the community pursuant to an order issued by the Director of the Oblast Department of the State Service of Ukraine for Geodesics, Mapping and Cadastre.

To support that process, a special web-site (<http://otg.land.gov.ua/>) has been created and a hot-line (0800502528) opened to provide advice.

The order of the Cabinet of Ministers provides that the State Service of Ukraine for Geodesics, Mapping and Cadastre will abstain from disposing of the land in the territory of the ATC, with the exception of cases when the communities themselves file relevant applications.

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

Ambassador Mingarelli Called the Decentralization as the History of Amazing Success

The decentralisation reform in Ukraine is the history of amazing success and the return of initiative to local communities. It was said so by Head of the EU Delegation to Ukraine Ambassador Hugues Mingarelli during the opening of the Administrative Service Centre in Ternopil region on 30 January 2018.

"Due to that reform, at the present, people can independently resolve many important matters related to the local social and economic development. The EU will continue to support the reform by providing advice and training courses in various areas such as budget management, spatial planning, and economic development. The EU will support, among other things, the establishment of up to 600 new administrative service centres in new communities thus making important administrative services closer to those who need them", Hugues Mingarelli said.

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How Much Money will be Invested in Roads in 2018

On 6 January 2018, the Resolution "On Approval of the Procedure for Channelling Funds of the State Road Fund" became effective thus having regulated the matter regarding the mechanism of generation and use of the Road Fund's funds.

The Road Fund's funds - that is UAH 10.7 billion - are to be allocated as follows:

- 60% for public general purpose highways of national importance;
- 35% for public general purpose roads of local importance;
- 5% for ensuring the road safety in accordance with the state programmes.
- In addition to the aforementioned funds, the state budget provides for:
- UAH 5 billion for the improvement of condition of particular highways;
- UAH 6 billion for the fulfilment of the debt obligations under loans obtained by the state or under state guarantees for the development of a public general purpose highway network.

Also, UAH 2.6 billion is budgeted for ensuring the road safety.

A governmental grant in the amount of UAH 11.5 billion is allocated for local budgets for the construction, renovation, repair, and maintenance of public general purpose roads of local importance, municipal streets and roads in settlements.

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

A New Formula of Allocation of the Government Grant for Education has been Approved

On 10 January 2018, there was published the Resolution of the Cabinet of Ministers of Ukraine regarding the approval of a new formula of allocation of the government grant for education among local budgets, which formula shall be applicable as of 1 January 2018.

The formula takes into account, among other things, such indicators as the number of students, peculiarities of the territory, teacher pay, density of pupils, and estimated number of students per class.

The government grant will be allocated in accordance with the estimated financial ratio indicator of fiscal capacity, school enrolment, educational plan, teacher pay, and adjusting ratios. It is worth mentioning that the review of the estimated number of students per class and relevant ratios is to be carried out every three years.

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

More than UAH 1 Billion is Allocated for Education Infrastructure in the 2018 State Budget

UAH 1.15 billion is budgeted in 2018 for the continued implementation of programmes on education infrastructure improvement - the procurement of buses to take children to pivotal schools, equipment of mathematics and natural sciences classrooms, as well as the development of inclusive education. Respective funds are allocated in the state budget for 2018.

Thus, UAH 200 million are allocated for the procurement of buses for pivotal schools; UAH 441 million, for mathematics and natural sciences classrooms, as well as UAH 509 million, for supporting the education of children having special educational needs.

Each of those educational programmes is also financed by the bodies of local self-government.

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Regions have to Prepare Plans for the Development of Networks of Primary Care Institutions in Rural Areas

On 18 January 2018, Vice-Prime Minister - Minister of Regional Development, Construction, and Housing and Communal Services of Ukraine Hennadii Zubko held an on-line conference with the heads of Oblasts, Rayons, and communities. The principal point: action plan regarding the primary care development in rural areas, the introduction of telemedicine services in the course of primary care development, and implementation of the Law "On Improvement of Accessibility and Quality of Health Care Services in Rural Areas".

Subsequent to the results of the conference, it was decided that the regions should submit their proposals regarding the establishment of capable networks of primary care institutions in communities as soon as possible.

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

Cultural Decentralisation: Eight Communities have been Selected to Participate in the "Small Cities - Great Impressions" Project

On 26 January 2018, within the framework of the "Small Cities - Great Impressions" Project, the Ministry of Culture of Ukraine selected 8 of 158 projects to implement pilot cultural start-ups related to the cultural heritage:

1. The city of Trostianets in Sumy Oblast, the "City Cultural Brand Development" project
2. The city of Tulchyn in Vinnytsia Oblast, the "Leontovych Art Quarter" project
3. The city of Ostroh in Rivne Oblast, the "Cultural Barbican" project
4. The city of Chuhuiv in Kharkiv Oblast, the "Repensky Plain-Air" project
5. The city of Slavutych in Kyiv Oblast, the "International Cinema and Urbanistics Festival - 86" project
6. The village of Sharivka in Kharkiv Oblast, the "Cultural Codefest" project
7. The city of Hadiach in Poltava Oblast, the "Young Theaters Festival" project
8. The Vylkivska ATC in Odesa Oblast, the "Danube Hospitality Gastronomic Festival" project

Those communities will receive financial support in the amount not less than UAH 500 thousand for the implementation of the project, as well as methodological assistance for the development of an exclusive idea or concept of a start-up, and monitoring of the project implementation.

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

Communities Impress. "One Million Worth Community" TV Programme Got Its First Airplay

On 28 January 2018, "One Million Worth Community" new social, information and entertainment reality show got its first airplay on the "1+1" TV Channel.

The project was created jointly with the Decentralisation Offering Better Results and Efficiency (DOBRE) decentralisation support programme funded by the United States Agency for International Development.

Within the framework of the project, five of the 665 amalgamated territorial communities compete for getting UAH 1 million to be granted by the WHISEF Fund, which amount they will be able to use for their own development. During each airplay, the participating communities perform tasks as assigned to them by the host and investors, whereas their efforts are repaid by virtual funds thus moving them closer to the capital prize.

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

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

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