

# DECENTRALIZATION IN UKRAINE

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

JULY 2016



## Due to Financial Decentralisation, the Local Budgets Have Increased by UAH 21.2 Billion

UAH 65 billion have been received by local budgets in the course of six months. In the previous year, this indicator was at the level of UAH 43.8 billion. Hence, in comparison with the same period in the previous year, the addition of revenues to local budgets totalled 48.5% or UAH 21.2 billion.

*"These are not just figures. This means the budgetary decentralisation in operation. And it is gaining pace, shows positive dynamics. The figures persistently and unquestioningly prove the efficiency of the incipient reform. The regions already have the opportunity to channel additional funds for the development of their own infrastructure, the construction and renovation of schools, hospitals, roads, etc."*, - **Vice-Prime Minister - Minister of Regional Development, Construction and Housing and Communal Services of Ukraine Hennadii Zubko**

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

## Ukraine will Obtain Additional EUR 55 Million for Reforms in the Area of Regional Development and Decentralisation

The Government of Ukraine and the European Commission will sign a supplementary agreement which will allow obtaining EUR 55 million for the budgetary support for Ukrainian regional policy in 2016-2018.

It is expected that, after the document is signed, Ukraine will obtain the first disbursement in the amount of EUR 25 million in 2016, the second disbursement of EUR 12.5 million in 2017, and the third disbursement of EUR 12.5 million in 2018, as well as EUR 5 million of additional aid for the implementation of reforms in the area of regional development and decentralisation.

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

## UAH 1.8 Billion are Channelled for Social and Economic Development of Regions

On 1 July 2016, the Cabinet of Ministers of Ukraine distributed the government grant from the state budget to local budgets in the amount of UAH 1.8 billion for social and economic development of separate territories.

Mostly, the funds are channelled for the renovation, construction or reconstruction of kindergartens and play-grounds, schools, community centres, infrastructure facilities, as well as for taking energy saving measures.

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

## The DOBRE International Project will Facilitate the Development of 75 Amalgamated Communities in 7 Oblasts of Ukraine

On 15 July 2016, in the Ministry of Regional Development, there was a meeting with representatives of the DOBRE (Decentralization Offering Better Results and Efficiency) project in Ukraine funded by the United States Agency for International Development (USAID).

The USAID plans to provide USD 50 million for the implementation of that project in the course of 2016-2021.

Global Communities, an American company, is the executing agency of the project in Ukraine.

The project will provide a full range of services to the amalgamated communities - from the strategic planning and matters of local economic development to the provision of administrative services to the population, cooperation with individuals and non-governmental organisations. In addition, an important role is assigned to the communications and provision of information to the public.

In general, about 75 amalgamated communities from 7 regions will be selected for the purposes of cooperation.

*"Communities will be determined on a competitive basis. We expect to start working on applications of the communities in September of this year. By the end of October, we plan to select the first 25 communities. Then, the actual cooperation with them will start"*, **Manager of the DOBRE project Barry Reed.**

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

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## Coordinators of the Offices for Reforms are Determined in All Oblasts

On 18 July 2016, coordinators of the offices for decentralisation and development reforms were determined in all 24 Oblasts.

The main task of the offices for reforms is the encouragement of decentralisation process at the regional level.

Activities of the regional offices for reforms will be fully funded by international organisations and assistance programmes/projects cooperating with the Ukrainian Government, including U-LEAD, the Swiss Cooperation Office in Ukraine and others.

*"The offices for reforms have to become powerful teams of experts from various projects operating in the regions. The objective of their work is not to provide reports and figures, but to actually improve the living conditions of people in communities", First Deputy Minister of Regional Development, Construction and Housing and Communal Services of Ukraine Viacheslav Nehoda.*

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

## The Establishment of the Project Office of Sectoral Decentralisation has been Initiated

On 19 July 2016, the Ministry of Regional Development initiated the establishment of the Project Office of Sectoral Decentralisation with the assistance of international donor organisations.

The activities of the Office will cover approximately 12 sectors: education, healthcare, social protection, administrative and territorial system, local budgets, social and economic development, environment and use natural resources, administrative service centres, land relations, city planning and architecture, infrastructure (transport, communications, roads), culture, housing and communal services.

*"The Project Office should become a communication centre that will unite horizontal communications between the ministries and agencies responsible for various sectors of decentralisation and vertical communications with the local self-government", Vice-Prime Minister - Minister of Regional Development, Construction and Housing and Communal Services of Ukraine Hennadii Zubko*

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

## Amalgamated Communities Have Already Prepared Almost 800 Infrastructure Projects which May be Implemented for Account of the Government Grant

As of 25 July 2016, the Ministry of Regional Development has approved 772 applications filed by 149 amalgamated communities, which applications pertain to the infrastructure projects that may be implemented for account of the government grant. It is planned to appropriate approximately UAH 677 million of the government assistance.

In general, the State Budget provides for the government grant in the amount of UAH 1 billion to amalgamated territorial communities for the development of [infrastructure in 2016](#). The funds of the government grant will be distributed among 159 amalgamated communities according to a clear formula depending on the number of rural population and the area of the community. That is UAH 960 thousand for the smallest amalgamated community and up to UAH 23 million, for the largest one.

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