

DECENTRALIZATION IN UKRAINE

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

OCTOBER 2017



Local Budgets Continue to Increase

Over the period of nine months of 2017, the revenues of the general fund of local budgets in Ukraine totalled UAH 134.9 billion. This indicator comprises 79.8% of the target approved in the annual budget. In comparison with the same period of 2016, the revenues of local budgets increased by UAH 31.1 billion or by 30%.

The revenues of local budgets of the 366 amalgamated territorial communities that were established in 2015-2016 increased by 82.7% and totalled UAH 6.3 billion (+ UAH 2.8 billion).

The average per capita amount of influx of the earned revenues in the amalgamated territorial communities increased by UAH 906 and totalled UAH 2 thousand.

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 13.2 billion.

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

The First Elections were Held in 201 Amalgamated Communities

On 29 October 2017, the first elections of local heads and members of councils were held in 201 amalgamated communities comprising 933 local councils.

On average, the voter turnout was 48.2%.

In general, the elections were held without any significant infringements, they were competitive and democratic.

In general, by the end of the year, there will already be 665 voluntarily amalgamated territorial communities operating in Ukraine, which communities comprise more than 3,100 former local councils.

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

Already 665: The Central Election Commission Called the First Elections in 51 Consolidated Communities in December

At its meetings held on 12 and 13 October 2017, the Central Election Commission called elections in 51 amalgamated territorial communities to be held on Sunday, 24 December 2017. Those communities are comprised of 256 local councils.

As it is known, on 29 October 2017, the first local elections were also held in 201 ATCs.

In general, after the first local elections are held on 24 December 2017, there will already be 665 voluntarily amalgamated territorial communities operating in Ukraine, which communities comprise more than 3,100 former local councils.

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

The Amalgamated Communities have Already Distributed 96% of Funds of the Government Grant Among Infrastructure Projects

As of 20 October 2017, the Commission at the Ministry of Regional Development approved more than 1,733 applications for infrastructure development projects in the ATCs, in the total amount of UAH 1.45 billion. Those projects will be implemented by the end of the year for the account of the respective government grant.

In general, the 2017 State Budget provides for a government grant in the amount of UAH 1.5 billion for the development of infrastructure in the ATCs. Those funds have been distributed among the 366 amalgamated communities established in 2015-2016.

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The Ministry of Regional Development Published Monitoring Data on the Decentralisation

On 18 October 2017, the Ministry of Regional Development published updated [monthly monitoring](#) data on the decentralisation of power and local self-government reforming process.

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

The decentralisation in the area of education has also significant achievements. In comparison with the most recent month, the number of pivotal schools in Ukraine has increased by 26. Now, they total 441 schools, 135 of which are established in the amalgamated territorial communities.

The cooperation of territorial communities also gains pace. Over the most recent month, about 30 additional communities entered into 9 cooperation agreements. In total, there are 104 cooperation agreements entered into between 487 communities in Ukraine. The areas where they have combined their efforts include the areas of housing and utilities, improvement of territory, fire protection, education, health care, and social security.

The communities are self-confidently resolving any issues pertaining to the provision of administrative services in their territory. The monitoring fixed the establishment of 46 administrative service centres (ASCs) specifically in the amalgamated territorial communities. In total, there are 715 ASCs operating at various levels in Ukraine.

"In terms of objective measurements and figures, there are obvious results of the reform, which fact undermines subjective assessments and discontent of non-believers", - Hennadii Zubko, Vice-Prime Minister - Minister of Regional Development, Construction and Housing and Communal Services of Ukraine, said commenting the results of the monitoring.

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

The State will Finance almost 800 Regional Development Projects in 2017

On 25 October, the Cabinet of Ministers of Ukraine approved an additional list of investment regional development projects to be financed in the total amount of more than UAH 98 million within the framework of the State Fund for Regional Development.

Those funds are being channelled for the construction and renovation of social infrastructure facilities (hospitals, schools, and out-patient clinics), the renewal of bridge crossing infrastructure, carrying out thermal modernisation, etc.

In general, almost 800 investment projects in all Oblasts of Ukraine in the amount UAH 3.5 billion will be financed in 2017 within the framework of the State Fund for Regional Development.

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

Change in Health Care Financing: New Opportunities for Communities

On 19 October 2017, the Verkhovna Rada (Parliament) of Ukraine adopted Draft Laws No. 6327 (as a whole) and No. 6604 (in the first reading) constituting the legal basis for the health care reform.

Starting from January 2018, communities will not receive the government grant for primary care. The funds allocated by the state for primary care will be invested in the Primary Care State Programme to be approved together with the State Budget. The Ministry of Health of Ukraine will act as the principal budget holder under the programme, and consequently, the National Health Service of Ukraine.

Health care institutions of any form of ownership and physicians in private practice will be direct funding recipients under that state programme. It means that, under the new system, municipally-owned health care institutions will not be the only providers of primary care at the expense of budgetary funds.

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Health Care Development in Rural Areas: the Verkhovna Rada of Ukraine Took the Presidential Draft Law as a Basis

On 19 October 2017, the Verkhovna Rada (Parliament) of Ukraine took as a basis the draft law (No. 7117) on the improvement of accessibility and quality of health care services in rural areas. The document was submitted to the Parliament and determined as urgent by the President of Ukraine. It is aimed at the improvement of primary care in villages and the quality and accessibility of medical services.

The project objective is to bring health care services closer to the maximum extent possible to the patient in rural areas, ensure that health care institutions are properly provided with modern equipment, and determine additional incentives for the engagement of health care professionals in rural areas.

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

IMF Got Interested in the Decentralisation for the First Time

On 5 October 2017, Vice-Prime Minister - Minister of Regional Development, Construction and Housing and Utilities of Ukraine Hennadii Zubko presented the monitoring of the decentralisation process in Ukraine to the International Monetary Fund mission.

The matters that were discussed at the meeting with the IMF representatives included the prospective vision of the reform process, in particular, its financial aspect and sectoral dimension; regulatory support for the amalgamation of communities, as well as adoption of amendments to the Constitution; enhancement of the level of autonomy and independence of the amalgamated communities in making decisions as a result of reforms; implementation of the reform at the local level, etc.

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

1+1 TV Channel, Jointly with the DOBRE Programme, Started a New TV Project

1+1 TV Channel starts a new social reality show where the amalgamated territorial communities will compete for investments by the creation of projects to improve life in their territories.

The project was developed by 1+1 Production and it is implemented jointly with the DOBRE-USAID Programme supporting the development of amalgamated communities in Ukraine, as well as with the WNISEF fund.

Five of the most enterprising Ukrainian communities will take part in the project. The community whose experience proves to be better than the experience of other ones will receive an investment tranche from the WNISEF fund.

The project will be aired on 1+1 TV Channel in 2018.

"The decentralisation process picking up steam in this country offers great opportunities to improve the life of ordinary Ukrainians in small towns and villages. Unfortunately, so far, not everybody is aware of it. Our project is about how the new opportunities can be used in an efficient way. It will help people to understand that the decentralisation just does not mean the possibility to independently decide for which purposes the budget is to be spent, but also a crucial chance for proactive persons to improve the life in their country, city or village. We will try to send a message to each Ukrainian that the welfare of country begins with the proactive attitude and the use of possibilities already available today", manager of genre specialism of image-building projects of 1+1 Production **Alla Stashchenko** says.

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

The International Board of Sponsors for Decentralisation Held Its Meeting

On 19 October 2017, the Board of Sponsors for Decentralisation in Ukraine held its third meeting.

"Our cooperation passed into a new quality level of partner relations. There are already 10 working groups established, which deal with separate areas. And continuous communication between the participants of the process is very important for us not only with respect to the tasks but, first of all, regarding the results of the implementation of the decentralisation reform", **Vice-Prime Minister - Minister of Regional Development, Construction and Housing and Communal Services of Ukraine Hennadii Zubko.**

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"I am the Community!" Awareness Campaign was Held in Donetsk and Luhansk Oblasts

In October 2017, "I am the Community!" awareness campaign was held in Donetsk and Luhansk Oblasts. The events were organised within the framework of the UN Development Programme in Ukraine, with the assistance of the European Union.

The project objective is to increase the awareness level of residents of the region in terms of positive changes and results of the decentralisation, explain the essence of the reform, and encourage all stakeholders to amalgamate and cooperate: local authorities, non-government organisations, business, mass media, and proactive individuals.

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

On-Line Forum for Headmen of the Amalgamated Communities is Opened

The on-line forum for village headmen of the amalgamated communities, which forum was developed on the initiative of the DESPRO Swiss-Ukrainian Decentralisation Support Project in Ukraine, was opened on 13 October on the "Decentralisation" web-site.

"Headmen need more information, they have a lot of questions and often do not know where to apply for clarifications and recommendations. It is important that most of the headmen have access to the Internet, therefore, they are prepared for on-line communication in technical terms", the forum moderator, Consulting Expert on Headmen's Activities and Cooperation of Territorial Communities **Oleksandr Vrublevskiy** said

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

"Time for Opportunities": Weekly Programme on Decentralisation Started on Channel 5

On 23 October 2017, the "Time for Opportunities" weekly TV programme on decentralisation started on Channel 5.

Statesmen, government officials, experts, and representatives of communities will comment on and analyse the progress of decentralisation in Ukraine, seek for a solution of any issues faced by the local self-government.

The programme has been created with the assistance of the Council of Europe's "Decentralisation and Territorial Consolidation in Ukraine" Programme and the DESPRO Swiss-Ukrainian Decentralisation Support Project in Ukraine.

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

II Forum of Amalgamated Communities will Take Place in Kyiv

On 4 December 2017, the II All-Ukrainian Forum of Amalgamated Communities will take place in Kyiv, with the participation of heads of communities which have amalgamated over the last three years, representatives of the business, investment organisations, the Government of Ukraine, central executive authorities, local self-government associations, international technical assistance projects, and experts.

The theme of needs and capacities of the amalgamated communities in terms of making a profit on an independent basis, implementation of projects that repay by new jobs and taxes to local budgets, and the fundraising will become an informational emphasis of discussions within the framework of the event.

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DESPRO Project Announced a Competition for City Councils

On 24 October 2017, the DESPRO Swiss-Ukrainian Decentralisation Support Project in Ukraine announced a competition for the selection of a pilot project on financing investment projects by proceeds from the placement of local bonds.

The objective of the competition is to support local initiatives aimed at the solution of problems of territorial communities by raising funds from private investors for the development of regional infrastructure.

City councils where the number of urban dwellers is not more than 500 thousand may take part in the competition. In this connection, preference is given to cities which are not Oblast centres.

The competition winner will obtain free of charge advice in the course of preparation of documents and calculations required for the feasibility evaluation and approval by the Ministry of Finance of the scope and terms of the borrowing; documents required for the registration of the local bonds issue and the offering memorandum with the National Securities and Stock Market Commission; and finding investors.

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

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

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