

DECENTRALIZATION IN UKRAINE

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

SEPTEMBER 2017



Addition of Revenues to Local Budgets Totalled More than 28 Billion

For the eight months of 2017, UAH 120.7 billion was paid to the general fund of local budgets, which amount totals 71.4% of the planned annual targets approved by local councils.

The addition of revenues, in comparison with the same period of the previous year, totalled 30.8% or UAH 28.4 billion.

Experts call the financial decentralisation as the major factor for increased revenues of local budgets.

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

Budgets of the Amalgamated Communities Continue to Grow

For the eight months of 2017, the 207 amalgamated communities which were established in 2016 and, therefore, transferred to direct inter-budgetary relations with the state budget only in this year have received three times more own resources. Prior to the amalgamation, that is, over the period from January to August 2016, that indicator totalled UAH 1 billion, today it totals UAH 2.9 billion.

The 159 amalgamated communities which have been operating under the new budgetary and financial conditions for two years have increased their earned revenues by 34.4% (+ UAH 668 million). This indicator is higher than average in Ukraine (32%).

Consequently, the earned revenues of local budgets of the 366 amalgamated territorial communities, in general, have increased by 85.5% and totalled UAH 5.5 billion (+ UAH 2.5 billion).

The average per capita amount of influx of the earned revenues in the amalgamated territorial communities increased by UAH 816 and totalled UAH 1,771.

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

The Election Process and Nomination of Candidates Started in 201 Amalgamated Communities

On 9 September 2017, the election process started, and on 25 September, the process of nomination of candidates for members of councils and the position of a village head, town or city mayor in 201 amalgamated communities. The elections will be held on 29 October 2017 in all Oblasts (Regions) of Ukraine.

Those 201 amalgamated territorial communities are comprised of 933 local councils: 25 city councils, 67 town councils, and 841 village councils.

More than 1.3 million persons, that is about 4% of all voters in Ukraine, will be able to take part in those elections.

In addition, as of the end of September, more than 60 amalgamated communities were looking forward to the decision of the Central Elections Commission on calling of the first election.

Consequently, as of today, there have been established about 680 voluntarily amalgamated communities in total in Ukraine.

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

A Draft Law Allowing Communities to Dispose of Their Lands is Already in the Parliament

On 6 September 2017, the Cabinet of Ministers of Ukraine approved a draft law that allows the amalgamated territorial communities disposing of the lands within their entire territory.

The draft law has been already registered with the Verkhovna Rada (Parliament) of Ukraine, under No. 7118.

"We provide a powerful resource and a new push for the development of territorial communities. The right to dispose of lands owned by the state, deal with the matters pertaining to real estate development, determine a proper taxation base will allow raising investments for the amalgamated territorial communities in order to implement infrastructure projects and manage them in an effective manner. That is an important decision within the framework of decentralisation and enhancement of capabilities of communities", - Vice-Prime Minister - Minister of Regional Development, Construction and Housing and Communal Services of Ukraine Hennadii Zubko.

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The List of Potential Centres of Capable Communities has been Published

On 13 September 2017, the Ministry of Regional Development published a list of potential prospective centres of capable communities.

The list is informative and supportive and intended for Oblast State Administrations to complete the preparation of prospective plans of the amalgamated communities.

"Some may fail to make use of such informative list of potential centres of communities. That is the matter of choice. However, we should make sure that we have taken all possible steps to provide assistance to communities in making a decision of vital importance for them", First Deputy Minister of Regional Development, Construction and Housing and Communal Services of Ukraine Viacheslav Nehoda.

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

UAH 270 Million will be Channelled to Regions for the Construction of Football Fields

On 6 September 2017, the Cabinet of Ministers of Ukraine approved the procedure for application of funds appropriated in the state budget for the construction of football fields with artificial turf in regions of Ukraine. The total amount of funds is UAH 270 million.

Primarily, those funds are planned to be channelled for the projects providing for co-financing from local budgets or other sources not prohibited by law.

The list of facilities to be financed for the account of budgetary funds will be compiled subject to proposals advanced by local state administrations and executive committees of local councils.

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

The Amalgamated Communities have Already Distributed 91% of Funds of the Government Grant Among Infrastructure Projects

As of 29 September, the Commission at the Ministry of Regional Development approved more than 1,693 applications for infrastructure development projects in the ATCs, in the total amount of UAH 1.36 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 366 amalgamated communities established in 2015-2016.

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

The Government Allocated UAH 1.7 Billion for Projects on Social and Economic Development of Regions

On 27 September 2016, the Cabinet of Ministers of Ukraine allocated UAH 1.7 billion for the implementation of more than one thousand projects on social and economic development in various Oblasts of Ukraine.

Most of the projects will be implemented still this year.

The document, among other things, provides for financing of Dnipro city bypass highway, further construction of the perinatal centre in Lutsk, modernization of the water supply system in Khmelnytskyi.

"The entire complex of social and economic development of territories is meant here. We hope that local authorities will take hold of those resources and will be able to qualitatively implement those projects subject to transparent tenders and at reasonable prices", – Prime Minister of Ukraine Volodymyr Groysman.

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Updated Monitoring of the Decentralisation Process

On 8 September 2017, the Ministry of Regional Development presented updated data on the monitoring of the decentralisation process in Ukraine.

In particular, the monitoring data show that the communities begin to use the cooperation mechanism more actively, which mechanism allows them resolving shared problems at the local level by pooling resources and efforts of several local communities. Only in the last month, the communities entered into five such agreements. In general, already 458 communities have been cooperating with each other. Totally, they have entered into 95 agreements in the areas of housing and communal services, improvement of territory, fire protection, education, health care, social security, etc.

Neither community amalgamation processes have been suspended as well. Over the last month, additional 160 village, town, and city councils came close to the final stages of amalgamation, more than 40 of the established ATCs are already awaiting the decision of the Central Elections Commission on calling the first elections.

"There are issues that can hardly be settled even by a large community without assistance. For instance, collection, processing, and disposal of household waste, provision of centralised water supply and water disposal. This requires ample resources, far from every city can afford, not to speak of villages. Over last two years, the communities showed the way how to successfully resolve shared problems by pooling efforts. And now, when there exists the experience that others may draw on and use, this mechanism begins to be more popular", - First Deputy Minister of Regional Development, Construction and Housing and Communal Services of Ukraine Viacheslav Nehoda.

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

Government Support for Regional Development will Total UAH 10 Billion in 2018

On 15 September 2017, the Cabinet of Ministers of Ukraine registered the draft State Budget of Ukraine for 2018 with the Parliament.

It is provided that UAH 8.1 billion would be appropriated for the State Fund for Regional Development in the next year. Additional UAH 1.9 billion will be budgeted as the government grant for the formation of the infrastructure of the amalgamated territorial communities.

In general, the resources of local budgets for 2018 will total almost UAH 521 billion. The anticipated amount of revenues of local budgets is more than UAH 250 billion.

The State Budget provides for inter-budget transfers to local budgets in the amount UAH 279 billion.

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

A Draft Law on Rural Health Care has been Registered with the Parliament

On 18 September 2017, Draft Law No. 7117 "On Improvement of Accessibility and Quality of Health Care Services in Rural Areas" as initiated by President of Ukraine Petro Poroshenko was registered with the Verkhovna Rada (Parliament) of Ukraine.

The Draft Law provides for the construction of additional ambulance stations, with the possibility of accommodation of the physician's family, purchase of motor vehicles for physicians to be able to travel between villages, as well as offering an opportunity to get an education and improve qualification.

In addition, the draft law lays down the basis for developing "telemedicine" so that physicians are able to take advice from colleagues using video communication. For this purpose, it is provided to have Internet in all villages, even in the most remote ones, within the framework of health care infrastructure development.

The amount of UAH 4 billion has been already provided for in the budget for the development of health care in rural areas. In addition, the Government included an extra amount of UAH 1 billion for the development of health care in villages in 2018.

"We, as the society, have to ensure the accessibility of medical care in the entire territory of the country. That will make us a strong country where you can live and be healthy anywhere. The allocated funds are a guarantee that each Ukrainian will receive high-quality medical care in any place of the country", acting Minister of Health of Ukraine Doctor Uliana Suprun.

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

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

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