

DECENTRALIZATION IN UKRAINE

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

DECEMBER 2016



Financial Decentralisation: Local Budgets Continue to Increase

The resources of local budgets in Ukraine continue to increase. Thus, over the 11-month period of 2016, the own revenues of local budgets increased 1.5 times and totalled UAH 132 billion, that is 104.6% of the annual revenues approved by local councils. The addition of revenues to local budgets totalled 49.6% or + **UAH 43.7 billion**.

Over the said period, the own revenues of 159 amalgamated communities which were established in the last year increased three times, that is from UAH 0.9 billion to **UAH 2.9 billion**.

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

Central Office for Decentralisation Reforms has Begun Its Operations

On 12 December 2016, the Central Office for Reforms was opened in Kyiv, which office has to become a communication hub of decentralisation.

The Central Office for Reforms will have 24 economically independent divisions - for each of the Oblasts. Those centres for the development of local self-government will coordinate the implementation of the reform at the regional level.

The opening of the Central Office for Reforms became possible because of the implementation of the U-LEAD with Europe: Ukraine Local Empowerment, Accountability and Development Programme financed by the EU and by Germany, Sweden, Denmark, and Poland on a separate basis. The objective of the programme is to provide support to Ukraine in implementing the decentralisation.

"The Central Office will monitor reforms regarding the implementation of projects, financial success, and performance of services at the level of local self-government. That is the start of a powerful analytical and monitoring and advisory centre", Vice-Prime Minister - Minister of Regional Development, Construction and Housing and Communal Services of Ukraine Hennadii Zubko.

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

The Concept of Health Care Reform Provides for an Important Role of Capable Communities

At the beginning of December, the Ministry of Health presented the Concept of Public Health System Reform which had been approved on 30 November.

The Concept stipulates that the capable communities will play an important role in the reform because the communities themselves own almost the whole healthcare infrastructure and they themselves have to make it efficient to the maximum extent possible.

"The role of the communities is to find answers to questions about where and how much infrastructure they need and which exactly. Because all that is their property and nobody but they themselves will decide what to do with it", Pavlo Kovtonyuk, Deputy Minister of Health of Ukraine.

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

The Law Promoting Local Self-Government Development has been Adopted

On 6 December 2016, the Verkhovna Rada of Ukraine adopted as a basis and as a whole the law promoting local self-government development and enhancing the prestige of service in the bodies of local self-government.

The law resumed the payment of pensions to officials of local self-government.

The law allows the bodies of local self-government to carry out inspections and draw up administrative offence reports (in the labour and employment areas) at companies, institutions, and organisations of all forms of ownership.

In addition, the bodies of local self-government will be released from the payment of the court fee in the event of hearing of cases over social protection matters.

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President Instructed to Speed up the Local Self-Government Reform

On 7 December 2016, President of Ukraine Petro Poroshenko signed the Decree "On Top Priority Actions for 2017 to Develop Local Self-Government in Ukraine".

The document provides for that the enhancement of legal, organisational, and financial capability of local self-government in Ukraine shall be one of the state development priorities for the next year and it intends to move the process of voluntary amalgamation of territorial communities to the final stage in the next year.

The President instructed that the Cabinet of Ministers, with the participation of the bodies of local self-government and their associations, develop and approve a complex of measures for the next year aimed at speeding up the local self-government reform and state support of voluntary amalgamation of territorial communities.

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

366 Amalgamated Communities have been Established in Ukraine

On 11 and 18 December, the first elections of heads and members of local councils were held in 183 amalgamated territorial communities from all Oblasts of Ukraine.

In general, after those elections, there will be 366 amalgamated territorial communities operating in Ukraine, which communities are established by more than 1,700 local councils comprising 17% of all bodies of the local self-government of the basic level.

International experts indicate significant breakthrough and rate of the municipal consolidation in Ukraine, none of which were ever observed in any of the countries which followed the way of voluntary amalgamation of communities.

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

The Reforming of School Education will be Carried out in the Context of Decentralisation Processes

On 14 December 2016, the Cabinet of Ministers of Ukraine approved the New Ukrainian School Concept of Implementation of the State Policy in the Area of Reforming Secondary Education for the period until 2019.

The Concept takes into account the decentralisation processes and, among other things, provides that the government authorities and territorial communities will be obliged to ensure necessary conditions for the education and training of primary school age children at the place of residence, in particular, in villages.

The decentralisation and efficient administration will grant actual autonomy to the school. Direct administration of schools will be carried out at the local level.

In 2016-2018, the process of establishing pivotal schools of the basic level in rural areas will continue. There should be established 100 - 150 schools and the interaction with communities and primary schools has to be worked out.

"New school spaces are beginning to be formed in the amalgamated communities. The implementation of the New Ukrainian School Concept in such communities will allow, firstly, ensuring that the quality of text-books in the primary and pivotal schools becomes much better. Secondly, it will allow raising the education in rural areas to a higher level. Thus, the education reform will move in the same direction as the decentralisation reform", Vice-Prime Minister - Minister of Regional Development, Construction and Housing and Communal Services of Ukraine Hennadii Zubko.

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

New Draft Law to Transfer Land to the Amalgamated Communities for Administration is being Developed

On 15 December 2016, Prime Minister of Ukraine Volodymyr Groisman said that the lands outside the boundaries of settlements had to be transferred to the amalgamated territorial communities for administration purposes and that the Government was ready to submit the relevant draft law to the Parliament.

"It is required to complete the adoption of the necessary laws and put an end to the speculations on the matter of land resources management. All land have to be transferred to the amalgamated territorial communities for administration purpose", Prime Minister of Ukraine Volodymyr Groisman.

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The State Budget for 2017 has been Adopted: the Line of Decentralisation is Preserved

On 21 December 2016, the Verkhovna Rada of Ukraine adopted the State Budget for 2017.

To secure the transferred powers and to protect the communities, the State Budget provides for an additional subsidy from the State Budget in the amount of UAH 14.9 billion.

Also, direct inter-budgetary transfers are provided for the amalgamated territorial communities which are able to provide high-quality services to citizens.

To assist the regional development, the State Budget provides for UAH 9.2 billion, that is 2.2 times more than in 2016.

"You will see hundreds of millions, maybe even billions, you will see that the communities will have at their disposal to build schools, kindergartens, roads and everything the inhabitants need. We will witness the continuation of large-scale decentralisation", Prime Minister of Ukraine Volodymyr Groisman.

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

Amalgamated Communities Received 100% of the Government Grant for Infrastructure

All of the 159 amalgamated territorial communities to which the government grant was allocated for the development of infrastructure facilities in the amount of UAH 1 billion received 100% of those funds to their treasury accounts.

The Expert Commission at the Ministry of Regional Development approved 1,383 applications for infrastructure development projects which would be implemented on account of the government grant. The aggregate amount required for the implementation of the approved projects totals approximately UAH 993.8 million (~99.4 % of the total amount of the government grant).

"The Government has fulfilled its obligations to the amalgamated communities regarding the support for their infrastructure. The funds of the government grant were received on a timely basis and in accordance with the schedule, the applications for projects were considered by the expert commission very promptly. Soon, we will have the results of use of the funds of government grant by the amalgamated communities", First Deputy Minister of Regional Development, Construction and Housing and Communal Services of Ukraine Viacheslav Nehoda.

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

Draft Law "On the Principles of Administrative and Territorial Structure of Ukraine" was Presented

On 21 December 2016, the draft law "On the Principles of Administrative and Territorial System of Ukraine" was presented to the Members of Verkhovna Rada, which draft law had been developed by the Ministry of Regional Development.

The draft law, subject to the applicable Constitution of Ukraine, determines the principles on which should be based the administrative and territorial structure, types of settlements, the system of administrative-territorial entities, powers of the governmental authorities and local self-government bodies in terms of the administrative and territorial structure, procedure for the formation, liquidation, establishment and changing the boundaries of communities and Rayons, maintenance of the relevant State Register, etc.

The draft law specifies, in particular, that the system of administrative-territorial entities shall remain to be a three-level one: Community, Rayon, Region. In this connection, it is stipulated that the Rayon level should be arranged in a better way so to be in line with the European standards.

"This draft law is the basis for subsequent changes in the administrative and territorial structure, but it itself does not provide for any such changes. The draft law only sets forth the procedure for resolving the matters pertaining to the administrative and territorial structure: division of jurisdiction over these matters, the establishment of the procedures for changing boundaries of Rayons and communities, renaming of settlements, their attribution to certain categories, etc. Currently, there is no such procedure, but it is urgently needed to move forward", First Deputy Minister of Regional Development, Construction, and Housing and Communal Services of Ukraine Viacheslav Nehoda

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New Draft Law Regarding the Amalgamation of Communities from Different Rayons has been Prepared for Voting

On 21 December 2016, the Verkhovna Rada of Ukraine Committee on State Construction, Regional Policy and Local Self-Government recommended to the Parliament to take the draft law regarding the peculiarities of voluntary amalgamation of communities located in the territories of neighbouring Rayons as a basis and as a whole.

That draft law sets forth the sequence of actions to be taken in the process of establishment of amalgamated territorial communities in the event when local councils comprising the amalgamation are located in the territories of different Rayons or in the event of the amalgamation of communities with the cities of Oblast subordination.

Due to the lack of strict regulation regarding this matter, the Central Elections Commission will not call the first local elections in a number of the amalgamated communities prior to the date on which the boundaries of the respective Rayons are changed pursuant to a resolution of the Parliament.

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

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