

DECENTRALIZATION IN UKRAINE

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

SEPTEMBER 2016



Financial Decentralisation: Local Budgets Have Increased by UAH 30.6 Billion in the Course of Eight Months

UAH 92.3 billion have been received by local budgets over the period of January through August 2016. In the previous year, this indicator was at the level of UAH 61.7 billion. Hence, in comparison with the same period in the previous year, the addition of revenues to local budgets totalled 49.6% or UAH 30.6 billion.

"That is the budget decentralisation as implemented in practice. Those are the funds that the communities currently allocate for the development of infrastructure, construction and renovation of kindergartens and schools, hospitals, roads, etc. Those are real projects and real resources through which the communities solve their problems. That is the evidence of effectiveness and irreversibility of the decentralisation", Vice-Prime Minister - Minister of Regional Development, Construction and Housing and Communal Services of Ukraine Hennadii Zubko

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

All Amalgamated Communities Have Filed Applications for Projects on the Use of Funds of the Government Grant for Infrastructure in 2016

As of 29 September 2016, the Ministry of Regional Development has approved 1,163 applications filed by 159 amalgamated communities, which applications pertain to the infrastructure projects that will be implemented for account of the government grant. It is planned to appropriate approximately UAH 948 million of the government assistance for those projects.

Thus, all 159 amalgamated communities among which the funds of the government grant are appropriated this year have already prepared respective applications for projects, however such applications fail to cover the full amount.

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.

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

\$50 Million for 75 Amalgamated Communities for Five Years - the DOBRE Project Started in Ukraine

On 5 September 2016, there started the selection of amalgamated communities in Ukraine which would obtain a complex support from the DOBRE project (Decentralization Offering Better Results and Efficiency) funded by the USAID (United States Agency for International Development).

The project is anticipated to continue for five years and its cost totals \$50 million.

In total, 75 amalgamated communities from seven *Oblasts* (Regions) will be able to participate in the project, specifically Dnipropetrovsk, Ternopil, Ivano-Frankivsk, Kharkiv, Kirovohrad, Mykolayiv, and Kherson Oblasts.

The first 25 amalgamated communities will be selected in 2016.

"By concentrating resources on specific amalgamated communities, it is easier to implement effective models which will become the success stories. Those communities may become tutors for others. We will be working with the local self-government on how to plan, make efficient decisions, which services are the most important for the population, and how those services may be materially improved. Also, we will be working on the improvement of the budgeting and administration system. All those efforts will help to support the economic development and stability in communities", Barry Reed, Manager of the DOBRE programme.

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

State Registration Services Fee will be Retained by the Budgets of the Amalgamated Communities

On 8 September 2016, the Verkhovna Rada (Parliament) of Ukraine adopted the law whereby it has settled the matter of paying the administrative services fee to the budgets of the amalgamated communities.

After the law becomes effective, the fee for the state registration services will be paid to the community budgets.

It is a reminder that up until now, the fee for the administrative services rendered in the amalgamated communities was paid to the *Rayon* (District) budget. Meanwhile, both the technical support is granted on account of, and the wages to employees are paid, from the budget of the amalgamated community.

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

PAGE 1 OF 3

DECENTRALIZATION IN UKRAINE

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



SEPTEMBER 2016

EUR 97 Million for Four Years - the Project of the U-LEAD with Europe Programme has been Presented in Ukraine

On 15 September 2016, the official presentation of the project of the U-LEAD with Europe: Ukraine Local Empowerment, Accountability and Development Programme was carried out in Vinnytsia.

The project is implemented in Ukraine by the European Union and its member states - Germany, Sweden, and Poland.

The programme is anticipated to continue for four years and it provides for the funding in the amount of EUR 97 million to support local self-government, provide new knowledge, implement infrastructure projects, and take a set of measures with the purpose of ensuring communities' capacity.

"The introduction of a new project on the decentralisation of power will offer us the opportunity to build a qualitative management model in the country, transfer powers and resources to such power that is elected by people and which is the most proximate and should be the most efficient", Prime Minister of Ukraine Volodymyr Groysman.

"Coordination of the programme will be carried out through the Central Office for Reforms at the Ministry of Regional Development, jointly with the EU, international donors, central and local authorities. We are building up the communication which also involves the operation of regional Offices for Reforms and of the Project Office of Sectoral Decentralisation. We need to interconnect the decentralisation reform with the reforming of industries. We have a consolidated and ambitious team that will implement this project." Vice-Prime Minister - Minister of Regional Development, Construction and Housing and Communal Services of Ukraine Hennadii Zubko.

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

UAH 9 Billion for the Development of Regions - Draft State Budget for 2017

On 16 September 2016, the Cabinet of Ministers of Ukraine approved the draft Law on State Budget for 2017.

Continued decentralisation is one of the key priorities for the next year.

In particular, the amount of the government support to the State Fund for Regional Development has increased from 3 to 8 billion Hryvnias. Additional UAH 1 billion are budgeted for the development of infrastructure of the amalgamated communities.

"Our position is unchanged - to carry out the decentralisation so that each community receives a sufficient amount of financial resources, has sufficient possibilities, and be responsible for what is going on at the local level", Prime Minister of Ukraine Volodymyr Groysman.

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

Financial Decentralisation: Earned Revenues of the Amalgamated Communities have Increased by Three Times - up to UAH 1.3 Billion

On 21 September 2016, the Ministry of Regional Development published the monitoring survey of the budget implementation by 159 amalgamated communities that were established last year.

During the first six months of the current year, revenues of the general fund of local budgets of the amalgamated communities (inclusive of transfers from the state budget) totalled UAH 3.1 billion. It is seven times more than the amount received in the respective period of 2015 by the budgets of local councils which merged in the amalgamated communities.

Earned revenues of the local budgets of amalgamated communities have increased by more than three times - from UAH 418 million up to UAH 1.3 billion.

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

The First Elections will be Held in 41 More Amalgamated Communities in December 2016

The number of amalgamated territorial communities existing in Ukraine will increase by 41, up to 184.

On 23 September 2016, the Central Election Commission called the first election of heads and members of councils in 41 amalgamated communities of 13 *Oblast*s (Regions) of Ukraine which are scheduled on 11 December.

Still, more than 150 amalgamated communities are looking forward to the decision of the Commission on calling of the first election.

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

PAGE 2 OF 3

DECENTRALIZATION IN UKRAINE

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



SEPTEMBER 2016

Decentralisation: the Updated Reform Implementation Plan for 2016 is Published

On 27 September 2016, the Cabinet of Ministers of Ukraine published the updated action plan regarding the implementation of the Concept of Reforming Local Self-Government and Territorial Structure of Power in Ukraine.

That document will facilitate the updating of assignments, deadlines of their implementation, as well as persons responsible for the fulfilment of such assignments with the aim of subsequent implementation of the Concept provisions.

"The Government's decision confirmed the plan which will accelerate the decentralisation. It clearly determines the responsible persons and deadlines. That is the succeeding agenda for the reform. It stipulates changes in the relevant areas of education, health care, and social protection. Also, it provides for the legal control of the key aspects of development, in particular, determination of the status of headmen, extension of the list of services provided by an Administrative Service Centre, enhancement of responsibility of the local self-government bodies for illegal decisions", Vice-Prime Minister - Minister of Regional Development, Construction and Housing and Communal Services of Ukraine Hennadii Zubko.

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

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

To subscribe: decentralization@minregion.gov.ua | o.suhodolska@despro.org.ua

PAGE 3 OF 3