

DECENTRALIZATION IN UKRAINE

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

JUNE 2018



Local Budgets Continue to Increase

Over the period of January to May 2018, the revenues of the general fund of all local budgets in Ukraine (net of inter-budgetary transfers) totalled UAH 89.7 billion. In comparison with the same period of 2017, the revenues increased by UAH 17.4 billion or by 24.1%.

The rate of growth of revenues of the amalgamated territorial communities totalled 64.8% (an 1.6 times increase compared to the previous year).

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

There are 705 Amalgamated Communities Established in Ukraine, and the Process will be Picking up Steam

There are 705 amalgamated communities established in Ukraine, and the process will be picking up steam in the future, because the amalgamation means a new level in resolving pressing issues that people face with. It was so informed by Prime Minister of Ukraine **Volodymyr Groysman** on the Channel 5 television channel.

"It is important that people are aware of the benefits of amalgamation, whereas the villages and their selfhood are preserved. It allows getting to a new level in resolving problems faced by people - education, health care, motor ways, etc. We, as the state, extend our assistance", the Prime Minister said.

He emphasised that the amalgamation process accelerated the development of territories. "Presently, there are 705 communities established. In 2014, they hinted that it would never be so. And now, we see the result", **Volodymyr Groysman** noted.

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

The Ministry of Regional Development Published Updated Monitoring Data on the Decentralisation

On 18 June 2018, the Ministry of Regional Development published monthly monitoring data on the decentralisation of power and local self-government reforming process, which monitoring showed the indicators for May 2018.

The Zhytomyr region is the leader in the process of amalgamated communities establishment. Communities in the Poltava and Vinnytsia regions cooperate most effectively. The greatest number of elected village headmen is in the Khmelnytskyi region. Communities from Zakarpattia, Donetsk, and Kharkiv regions were the first to submit their projects for obtaining government grants for infrastructure. Also, the monitoring shows leading and lagging regions and the areas they developed best and worst, respectively, how the funds of the government grant are distributed and used thereby, what is going on in the health care, educational, youth and social policy, administrative services sector, etc.

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

Amalgamated Communities have Almost Distributed the Government Grant for Infrastructure

In June, the Commission at the Ministry of Regional Development has already approved 2359 infrastructure projects of 661 amalgamated communities in the aggregate amount of UAH 1.878 billion. Those projects and programmes will be implemented in the communities by the end of the year for the account of the respective government grant.

UAH 22 million of the government grant is still to be distributed. So far, only four amalgamated communities have not yet submitted their projects to the Commission for consideration.

In aggregate, there is UAH 1.9 billion allocated in the State Budget for 2018 for the development of infrastructure of the 665 amalgamated communities established in 2015-2017.

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A New Draft Law on Service in the Bodies of Local Self-Government has been Prepared for Parliamentary Voting

On 6 June 2018, the specialised Committee of the Verkhovna Rada (Parliament) of Ukraine recommended to the Parliament to pass in the first reading draft law No. 8369 on amendments to the Law of Ukraine "On Service in the Bodies of Local Self-Government" (restated and amended).

As it was reported, the draft law absorbed all provisions of draft law No. 2489 on service in the bodies of local self-government that was rejected by the Parliament during the consideration of a veto of the President of Ukraine on 3 April this year.

The new law draftsmen amended the previous wording in respect of the following matters:

- The amendments pertaining to village and town deputy heads, and deputy city mayors as referred to in the veto of the President of Ukraine are excluded from the Law of Ukraine "On Local Self-Government in Ukraine", since the matter of deputies is not the subject of legal regulation of the new law;
- alongside with the competition to fill a vacancy, it is provided for a possibility of promotion of public officers within their own category without a competition (with the exception of the highest first category);
- the model regulation on bonuses is excluded;
- an approximate volume of expenses for training of public officers is set out - up to 2% of the payroll fund.

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

One-Third of Amalgamated Territorial Communities has Already Received Agricultural Lands

As of 7 June 2018, the State Service of Ukraine for Geodesics, Mapping and Cadastre transferred more than 360 thousand hectares of agricultural lands outside the boundaries of settlements to 199 amalgamated communities.

In aggregate, approximately 759 hectares of state-owned agricultural lands may be transferred to the 665 amalgamated territorial communities established in Ukraine.

The process of land transfer to the amalgamated communities that have been already established is to be completed not later than in December 2018.

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

The Government Approved a Resolution to Allocate UAH 1 Billion to Regions for the Development of Rural Health Care

On 20 June 2018, the Cabinet of Ministers of Ukraine approved a resolution to channel a government grant to regions for the development of health care system in rural areas. The amount of the government grant is equal to UAH 1 billion. The funds will be applied for the development of primary care infrastructure, in particular, for the procurement of necessary medical equipment.

The government grant is distributed among the Oblasts in proportion to the numerator of rural population living in the relevant region. The government grant also provides for co-financing of projects by local budgets in the amount of 10%.

In aggregate, the governmental grant for the development of health care in rural areas is equal to UAH 5 billion. In December 2017, the Government approved a resolution to allocate UAH 4 billion for the development of primary care infrastructure in rural regions.

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

The Government Distributed a Medical Grant to Communities where Health Care Institutions Failed to Enter into Agreements with the National Health Service

On 13 June 2018, the executive order of the Cabinet of Ministers of Ukraine governing the matters of funding health care institutions in the 3rd quarter of 2018 became effective, which institutions have not entered into a health care services agreement under the programme of government guarantees regarding the provision of primary care to population.

By that document, the Government allocated UAH 2.06 billion to ensure primary care in communities where health care institutions failed to enter into agreements with the National Health Service.

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OECD Highly Appreciated the Pace of Decentralisation Reform in Ukraine

On 15 June 2018, the Organisation for Economic Cooperation and Development (OECD) presented the report titled "Support of Decentralisation in Ukraine".

In its report, the OECD highly appreciates the pace of decentralisation reform in Ukraine and notes that, over the four-year period of reform implementation, significant advancements occurred in terms of upgrading the approach to public administration of territories, improving the provision of public services at the local level, carrying out financial decentralisation, increasing the rate of growth of amalgamated communities.

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

USAID Published Terms and Conditions for Selection of 25 Communities to Participate in the DOBRE Programme

On 13 June 2018, the U.S. Agency for International Development (USAID) published terms and conditions of competitive selection of further 25 amalgamated communities to participate in the Decentralization Offering Better Results and Efficiency (DOBRE) programme.

Voluntarily amalgamated communities from Ivano-Frankivsk, Ternopil, Dnipropetrovsk, Kirovohrad, Kharkiv, Kherson, and Mykolayiv Oblasts where the first elections were held and where the number of residents is not less than 5,000 may participate in the competition.

Applications shall be filed by 27 July.

The participation in the programme will help amalgamated communities to more effectively manage their resources, improve the quality of utility services, create incentives for local economy, and enhance the involvement of residents in the development of their community.

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

U-LEAD with Europe Programme Awarded Winners of the "Big Pictures of Small Locations" Photographic Competition

On 11 June 2018, short-listed participants of the "Big Pictures of Small Locations: My Community - Our Future" photographic competition were awarded in Kyiv.

The photographic competition was held from 23 April to 20 May 2018 at the initiative of the Ministry of Regional Development. The U-LEAD with Europe Programme was the competition organiser.

The objective of the competition was to show that each part of Ukraine was worth attention and might become a model of how transformations taking place as a result of decentralisation were making the life better, increasing the level of local community spirit and unlocking the human potential of residents of the amalgamated communities.

More than 1,000 amateur photographers from all Oblasts of Ukraine became participants of the competition.

The award panel considered more than 1,200 works of the participants and elected 24 winners.

Pavlo Katerynych from the village of Lysohirka in Kodymyskiy Rayon of Odesa Oblast (Region) received the top award.

The photographic exhibition of 24 winning pictures started its tour around Ukraine.

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G7 Ambassadors Discussed Ukrainian Decentralisation Pressing Matters in Kiptivska ATC

On 21 June 2018, G7 ambassadors visited Kiptivska amalgamated community in the Chernihiv region.

During the visit, G7 ambassadors noted the success of decentralisation in Ukraine and assured of further support for its implementation.

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

The USAID funded DOBRE Programme Presented the Results of Financial Monitoring of Communities

On 15 June 2018, the Decentralization Offering Better Results and Efficiency (DOBRE) programme that is funded by the U.S. Agency for International Development (USAID) presented the results of financial management assessment carried out in 50 amalgamated communities.

Experts presented the most financially capable and transparent communities, disclosed their recommendations that had been given to the communities as how to enhance financial discipline and improve administration, and told about further steps that would be taken by the USAID funded DOBRE programme to improve the financial management in communities and have residents involved in the monitoring of local budgets.

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

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

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