

DECENTRALIZATION IN UKRAINE

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

JUNE 2016



During the First Five Months, the Local Budgets Increased by 50% and the Budgets of the Amalgamated Communities, by Five Times

In January through May 2016, the revenues of local budgets in Ukraine have generally increased on average by 48.8% (in comparison with the same period in the previous year). The budget revenues of 159 amalgamated communities, together with transfers, increased in 2016 by more than five times - up to UAH 4.55 billion.

"We transfer powers and money to the local level. These two "whales" of decentralisation will allow the amalgamated communities to independently make decisions and implement them in practice", **Vice-Prime Minister - Minister of Regional Development, Construction and Housing and Communal Services of Ukraine Hennadii Zubko**

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

The Ministry of Regional Development and GIZ Have Entered into an Agreement Regarding the Development of Four Cities in Ukraine in the Amount of EUR 5.85 Million

On 15 June 2016, the Agreement on the Implementation of Integrated Development of Cities in Ukraine was signed between the Ministry of Regional Development and Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, a German government company.

The project is jointly financed by the Federal Ministry for Economic Cooperation and Development of Germany (BMZ) and the State Secretariat for Economic Affairs of the Swiss Confederation (SECO).

In the course of next three years, the integrated development concepts will be developed for the following four Ukrainian cities: Vinnytsia, Zhytomyr, Poltava, and Chernivtsi.

The budget of the project totals EUR 5.85 million. The participating cities will also make their own contribution in kind in the amount of approximately EUR 200 thousand.

"The cooperation in the framework of the project will allow to prepare and propose the best technical solutions for the development of Ukrainian cities", **Vice-Prime Minister - Minister of Regional Development, Construction and Housing and Communal Services of Ukraine Hennadii Zubko**

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

UAH 2.58 Billion Have Been Already Appropriated from the State Fund for Regional Development

UAH 2.58 billion out of UAH 3 billion provided for in the State Fund for Regional Development have been already appropriated for the implementation of projects.

The list includes construction projects on the development of healthcare, educational, and sports institutions, repair of local roads and main highways, programmes of energy efficiency and thermal modernisation of public amenities, etc.

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

Coordinators of Regional Offices for Reforms are Selected in Most Oblasts

On 24 June 2016, the final results of competition for the positions of coordinators of regional offices for decentralisation and development reforms. At this stage, 18 coordinators have been determined. For six *Oblasts* (regions), an additional competition will be held.

The selection of candidates took place on the basis of general ranking score calculated on the basis of the modern reasoning test, test of abstract reasoning, and arithmetic reasoning test, as well as the voting by members of the competition committee comprising representatives of the Ministry of Regional Developments and international partners.

Activities of the coordinators of the offices will be financed by the U-LEAD with Europe: Ukraine Local Empowerment, Accountability and Development Programme implemented by the European Union and its member states in Ukraine. The funds of the Programme are provided by the EU (EUR 90 million), Germany (EUR 6 million) and Poland (EUR 1 million).

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

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

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The Council of Europe will Give Expert Opinion on the Decentralisation Process in Ukraine

On 24 June 2016, representatives of the Council of Europe member states have completed an expert examination of the status and prospects of reforming local self-government, territorial structure of power, and decentralisation in Ukraine.

In the course of two days, the delegation held more than 10 meetings with various groups of Ukrainian stakeholders, in particular, with members of Parliament, management of the ministries engaged, and all-Ukrainian associations. Following the results of those discussions, the European experts will, in the short run, provide the Ministry of Regional Development as the coordinator of reforms with the written expert review "Sectoral Decentralisation in Ukraine" containing the evaluation of the status of decentralisation in the country and recommendations with respect to its subsequent implementation.

"An unbiased opinion of international partners on the process of decentralisation in Ukraine is very important for us, which opinion reflects the state of affairs without exaggerated emotions and distortions, since it is based on the facts and accurate assessment of efficiency of actions and processes taking place in Ukraine", **First Deputy Minister of Regional Development, Construction and Housing and Communal Services of Ukraine Viacheslav Nehoda**

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Amalgamated Communities Have Already Prepared Almost 600 Infrastructure Projects Which May be Implemented for Account of the Government Grant

As of 1 July 2016, the Ministry of Regional Development has approved 592 applications filed by 127 amalgamated communities, which applications pertain to the infrastructure projects that may be implemented for account of the government grant. It is planned to appropriate approximately UAH 557 million of the government assistance.

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.

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