

# DECENTRALIZATION IN UKRAINE

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



MAY 2016

## Investment Projects to Be Financed in 2016 for Account of the State Fund for Regional Development Are Approved for 11 Oblasts

On 11 May 2016, the Cabinet of Ministers approved the list of 219 regional projects which may be financed in 2016 for account of the State Fund for Regional Development.

The total value of those projects is more than UAH 1 billion or 30 % of all means of the Fund.

The list includes projects for the construction of health-care, educational, and sports institutions, repair of local and main roads, programmes of energy efficiency and thermal modernisation of social facilities, etc.

The State Fund for Regional Development intends to spend UAH 3 billion for the implementation of investment projects and regional development programmes in 2016.

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

## Local Self-Government Bodies in the Territory of Anti-Terrorist Operation Will Be Able to Carry Out Full-Scale Activities

On 17 May 2016, the Verkhovna Rada (Parliament) of Ukraine adopted as a whole the draft law unblocking activities of local self-government bodies in the anti-terrorist operation area in Donetsk and Luhansk *Oblasts* controlled by Ukraine.

The Law allows local self-government bodies in those territories to carry out the registration actions with regard to legal entities.

Also, in those territories, business entities will not be exempted from the payment of a fee for the use of land plots, as well as for the lease of the communal and state-owned property.

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

## Decentralisation Tasks Are Clearly Determined in the Draft Government's Action Plan for 2016

On 20 May 2016, the Cabinet of Ministers of Ukraine published a draft Government Priority Action Plan for 2016. Continued decentralisation is one of the plan's overriding priorities.

Assistance and maximum support to voluntarily amalgamated communities and division of powers between the bodies of local self-government and executive authorities comprise an important set of issues included in the plan.

"Also, we clearly determined that still in the first half year we have to transfer powers to local self-government bodies in terms of disposal of lands outside the boundaries of settlements. And to optimise the number of land administrators and introduce a land use supervision mechanism", Vice Prime Minister - Minister of Regional Development, Construction, and Housing and Communal Services of Ukraine Hennadii Zubko

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## Total Revenues of 159 Communities that Amalgamated in the Previous Year Have Increased by Five Times, and Their Earned Revenues Doubled

On 25 May 2016, the Ministry of Regional Development published the monitoring survey of financial capacity of 159 amalgamated territorial communities that were established in the previous year.

Experts compared budgets of the communities before and after the amalgamation and obtained more than persuasive figures proving that the amalgamation has significant financial advantages.

The approved amount of revenues of the general fund of local budgets of the amalgamated communities for 2016, including transfers from the state budget, totals close on UAH 4.6 billion, that is five times more than the adjusted local budget targets of the amalgamated communities for 2015.

The amount of earned revenues of local budgets of the amalgamated communities has increased by more than twice: from UAH 0.8 billion in 2015 to close on UAH 1.9 billion in 2016.

**"Those communities have already received funds and powers not only to maintain officials and keep under observation public services and amenities but to raise the level of most of the services rendered in their territory"**, First Deputy Minister of Regional Development, Construction, and Housing and Communal Services of Ukraine Viacheslav Nehoda.

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

## Close to UAH 42 Billion Have Already Been Received by Local Budgets over Four Months - That Is the Result of Budget Decentralisation

The budget decentralisation which commenced in 2015 picks up steam and shows the upward trend. In January through April this year, UAH 41.7 billion were received by the general fund of local budgets. The amount increased by UAH 13.3 billion, that is, almost by 50%, compared to the same period in the previous year.

Over the period of the first four months of the year, local budgets already have almost 42 % of the annual revenues planned by local councils.

**"Those figures prove that the budget decentralisation initiated by us, despite talk of populists and sceptics, unquestionably proves its efficiency. Owing to new financial capacities, the communities get financial independence and new development prospects"**, Vice Prime Minister - Minister of Regional Development, Construction, and Housing and Communal Services of Ukraine Hennadii Zubko

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## Amalgamated Communities Already Have 175 Infrastructure Projects Which May Be Implemented for Account of a Government Subsidy

On 23 and 30 May 2016, the Ministry of Regional Development approved 175 applications for infrastructure projects filed by 37 amalgamated communities, which projects would be implemented for account of a government subsidy. It is planned to channel UAH 209 million of government support for those projects.

In general, the State Budget provides for a to the amalgamated territorial communities for the development of infrastructure in 2016. The subsidy funds will be distributed among 159 amalgamated communities in accordance with the clear formula which takes into account the number of rural population and the area of the community. Starting from UAH 960 thousand for the smallest amalgamated community and up to UAH 23 million for the largest one.

**"The Commission approved most of the applications; consequently, the amalgamated communities would be able to start up their relevant projects in the nearest future. And that means the development of local infrastructure facilities, construction of roads and public amenities, improvement of the service quality for residents",** Vice Prime Minister - Minister of Regional Development, Construction, and Housing and Communal Services of Ukraine Hennadii Zubko.

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