

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

### A CONSTITUTIONAL COMMISSION IS CREATED TO DEVELOP CHANGES WHICH ARE TO BE INTRODUCED INTO THE CONSTITUTION OF UKRAINE

On March 3, 2015, the President of Ukraine signed an order On the Constitutional Commission, while on March 31 he approved its membership. The Commission is to be headed by Volodymyr Groysman (the Head of Verkhovna Rada).

The Commission will develop proposals as to changes to be introduced into the Constitution, including changes to the part concerning decentralization. Representatives of political forces, public, and experts, are engaged in the process.

The key changes in the part on local self-governance reformation will concern redistribution of responsibil-

ities between executive bodies and local self-government, creation of executive bodies by raion and oblast councils, change of status and responsibilities of local administrations, and reorganization of these administrations into prefecture-type bodies.

Source: <http://www.president.gov.ua/documents/19018.html>



«it is important for constitutional changes concerning decentralization to enter into force before local elections. Voters must know, which responsibilities the authorities they elect are going to have»,  
– Gianni Buquicchio, Venetian Commission President

### THE LAW, WHICH WILL HELP TO ATTRACT INVESTORS TO REGIONS, IS SIGNED

On March 3 the President of Ukraine signed the Law “On Principles of State Regional Policy”.

The law provides the basic legal, economical, social, environmental, humanitarian, and organizational principles of regional policy as a component of local policy, and creates a legislative basis for implementation of new regional policy, which must embrace much wider spectrum of issues than just local development support.

Besides, the document defines purposes and priorities of regional policy, regional development strategies, responsibilities of regional policy subjects, principles of financial

support and monitoring of regional policy implementation.

Definition of regional development framework through adoption of the Law “On Principles of State Regional Policy” is provided by the Agenda of Ukraine-EU association. The law allows (beside other things) to engage foreign investments in regional development projects.

Source: <http://www.president.gov.ua/news/32385.html>



«Adoption of the Law is one of the key indicators of efficient implementation of the Programme of budgetary support of regional policy in Ukraine by Ukrainian government»  
– Colin Maddock, Head of expert group of EU Project “Support to Ukraine’s Regional Development Policy”

### THE LAW, WHICH ENCOURAGES COMMUNITIES TO UNITE, IS SIGNED

On March 3, 2015, the President of Ukraine signed the law "On Voluntary Unification of Territorial Communities".

The law creates legal basis and mechanisms for unification of territorial communities of villages, urban-type settlements, and cities. Their key tasks will include improvement of public needs fulfillment process, efficient provision of high-quality administrative and social services to the public, sustainable development of respective territories, more efficient usage of budget funds and other resources.

Source: <http://www.president.gov.ua/news/32408.html>

«This Law allows us to start the process of reformation of administrative and territorial organization and local self-governance in Ukraine.»

– Anatoly Tkachuk, Director of Civil Society Institute



### A DRAFT METHODOLOGY FOR UNIFICATION OF COMMUNITIES IS DEVELOPED

On March 11 the Ministry of Regional Development, Construction, and Housing and Communal Services of Ukraine presented a draft Methodology of Formation of Capable Territorial Communities.

One of the Methodology's key provisions is the definition of future capable territorial communities and their influence zones. Besides, the Methodology also includes requirements to development of Prospective plans of development of territorial communities in every oblast'.

«the Methodology of Formation of Capable Territorial Communities, is the roadmap and the step-by-step plan for voluntary unification of communities»

– Gennadiy Zubko, Vice-Premier-Minister of Ukraine, the Minister of Regional Development, Construction, and Housing and Communal Services



Source: [http://www.kmu.gov.ua/control/uk/publish/article?art\\_id=247998511&cat\\_id=244277212](http://www.kmu.gov.ua/control/uk/publish/article?art_id=247998511&cat_id=244277212)

### THE PROCEDURE FOR DISTRIBUTION OF FUNDS, ALLOCATED FOR REGIONAL DEVELOPMENT, IS APPROVED

On March 18, the Cabinet of Ministers approved "The order of preparation, evaluation, and selection of investment projects of regional development", which will be financed by the State Fund for Regional Development in 2015, and "The order of usage of the Fund's finances".

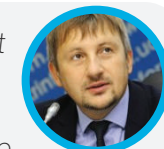
3 billion UAH were allocated from the budget for the State Fund for Regional Development.

The funds will be distributed among the regions according to the following criteria: 80% of funds –

among all the regions, proportionally to the population numbers, 20 % – to support the regions, where gross regional product per capita is below 75 % of the country's average indicator.

«This is the first time, when finances from the Fund will be distributed with individual needs of the regions taken into consideration.»

– Yuri Tretiak, deputy head of EU Project "Support to Ukraine's Regional Development Policy"



Source: [http://www.kmu.gov.ua/control/uk/publish/article?art\\_id=248020832&cat\\_id=244276429](http://www.kmu.gov.ua/control/uk/publish/article?art_id=248020832&cat_id=244276429)

### VILLAGES WILL GET SUFFICIENT FUNDING IN 2015

On March 3 Verkhovne Rada approved the changes to be introduced into the Budget Code. Among other problems, the changes are meant to ensure adequate financial support of responsibilities, delegated to local self-government bodies.

The changes provide that these new responsibilities shall be supported by respective financial transfers. They are targeted not only at maintenance of kindergartens, leisure centres etc., but at council employees as well. Transfer volumes cannot be lower than they were in 2014.

«The key task is to ensure that budget infrastructure gets the funding volumes, which are at least as high as last-year's levels. This is the essence of the adopted changes. »

– Yuriy Ganushchak, expert



Source: <http://portal.rada.gov.ua/news/Novyny/Povidomlennya/104974.html>

### THE GOVERNMENT APPROVED THE DRAFT LAW “ON PUBLIC SERVICE AND SERVICE IN LOCAL SELF-GOVERNMENT BODIES”

On March 25 Ukrainian government approved the draft Law “On Public Service and Service in Local Self-government Bodies” and submitted it to Verkhovna Rada.

The draft law provides legal background for making service in local self-government bodies more prestigious, regulating the status of a local self-government officer, facilitating equal access to service in local self-government bodies, based solely on individual achievements and credits, ensuring transparent process of appointment of local self-government officers, stimulating career development, de-politicizing, creating new labour remuneration model, which minimizes the supervisor's subjectivity factor, and improving of social and material protection level for public servants.

«This Law provides competitive procedures, understandable labour remuneration system, incentives and awards for public servants, as well as the mechanism for bringing them to responsibility»

– Ganna Onyshchenko, According to the Minister of the Cabinet of Ministers



Source: [http://www.kmu.gov.ua/control/uk/publish/article?art\\_id=248039086&cat\\_id=244276429](http://www.kmu.gov.ua/control/uk/publish/article?art_id=248039086&cat_id=244276429)

### A SERIES OF DISCUSSIONS ON THE PECULIARITIES OF BUDGET REFORM IMPLEMENTATION IN THE REGIONS, HAS TAKEN PLACE

Throughout March, an informational campaign on the issues of budgetary and fiscal decentralization, was taking place in the regions. Experts from Minregion, Minfinance, State Fiscal Service, Ministry of Education and Science, Ministry of Health, together with heads of oblast', raion, village, settlement councils, as well as financial departments

and territorial bodies of the State Fiscal Service, held round table discussions on the changes being introduced into budget and tax codes, concerning decentralization. Government experts explained how in 2015 local budgets will get an additional resource of 22 billion UAH, as a result of implementation of the new funding model.

«decentralization should result in a comfortable self-governance model, which would reflect real needs of communities, have financial basis, enabling progressive changes, and be favourable for the public.»

– Oleg Sinyutka, Head of Lviv Oblast State Administration



Source: [http://www.kmu.gov.ua/control/uk/publish/article?art\\_id=247989325&cat\\_id=244276429](http://www.kmu.gov.ua/control/uk/publish/article?art_id=247989325&cat_id=244276429)