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POLICY ADVICE ON THE “CONCEPT OF THE REFORM OF LOCAL SELF-GOVERNMENT AND TERRITORIAL ORGANISATION OF POWER IN UKRAINE”

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I. The 2014 Concept

- Document of the Cabinet; framework for policy
- Served well as guideline for action
- Outlined the problems of the multilevel governance - need for reform in view of inadequacies in the then-existing LSG system



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I. The 2014 Concept, four clear priorities:

- a) enhancing the quality and accessibility of public services
- b) clarifying and delineating responsibilities between state and local authorities, with measures to strengthen the latter
- c) territorial reform, including by restructuring state authority systems across various levels
- d) sufficient financial resources for local authorities to fulfil their assigned responsibilities effectively



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II. Achievements:

- Territorial reform: tier 1 (1470 hromadas), tier 2 (136 rayons)
- Inter-municipal and international co-operation
- Distribution of competences between state and local authorities, decentralisation transferred numerous responsibilities to local governments under the subsidiarity principle
- Improvement in the accessibility and quality of public services (secondary education or primary healthcare, CNAPs)



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II. Achievements:

- Financial decentralisation:
 - greater financial resources
 - direct financial relations with the state (PIT, land and property taxes, etc.)
 - transfer of state-owned agricultural land to community ownership



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III. Pending issues, challenges:

- Structural: executive bodies still missing on tiers 2 and 3; the role of *rayons* still not clarified
- Financial: local fiscal autonomy still limited, prevalence of transfers
- Deterioration of infrastructure, incomplete legal framework for land management, demographic challenges etc., inconsistency in sectoral reforms



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III. Pending issues, challenges – Russian Federation's war of aggression after 2022:

- Occupation, internal / external migration of population
- Martial law ➡ military administrations ➡ varying governance models
- Undermined progress of financial decentralisation
- Insufficiently defined relations between local authorities and state administrations at all levels, legality supervision



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III. The bright side – the EU accession process:

- Country reports and alignment with the *acquis communautaire* / opening of the EU market
- TA and financial support in the future (2023 Regulation on Ukraine Facility), with earmarked support for local & regional authorities



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IV. Recommendations = work in progress:

- Keep the good structure & focus, address pending issues and new challenges
- Clarify the roles and responsibilities of rayons and oblasts
- Improve legal framework for local self-governance (executive bodies in oblast and rayon councils)
- Update legality supervision over local authorities' activities, to establish a single specialised mechanism



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IV. Recommendations = work in progress:

- Prepare Constitutional amendments
- Strengthen the mechanisms for inter-municipal and international co-operation
- Advance metropolitan governance
- Strengthen the financial autonomy and stability of local authorities
- Align the revised Concept explicitly with the EU accession process, reflecting the significantly altered context compared to a decade ago



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IV. Recommendations = work in progress:

- Address HR and professionalism challenges
- Plan for a gradual but predictable (based on law on clear criteria and decision-making mechanisms) and orderly transition from military to civil administration
- Indicate timeline
- Modernise some of the politico-administrative terminology and incorporate gender-sensitive language



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THANK YOU!

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