



Ministry for Communities and  
Territories Development

# DECENTRALISATION

REFORM OF LOCAL SELF-GOVERNMENT AND TERRITORIAL  
ORGANISATION OF POWER IN UKRAINE

*ACCOMPLISHMENTS AND OBJECTIVES  
FOR 2021-2024*

Viacheslav NEHODA  
Vice Minister

### Imperfect administrative and territorial structure

Territorial structure was formed in the middle of the last century

Regional level:

Autonomous Republic of Crimea, 24 regions, Kyiv City, Sevastopol City

Sub-regional level:

490 districts, 178 cities of oblast significance

Basic level:

11512 village, settlement, city (cities of district significance) communities, most of them are small

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29 716 populated localities:

- 459 - cities
- 2050 - settlements
- 27207 - villages

### Local authorities with limited autonomy

Limited rights of citizens to participate in local affairs

Regional level:

Regional councils with no executive bodies

Sub-regional level:

District councils with no executive bodies

Basic level:

- Only 178 cities with administrative and fiscal autonomy
- 11512 communities subordinated to district councils and district state administrations
- The principle of ubiquity of local self-government not been implemented

### Incapable local authorities

- The vast majority of communities were small in number of inhabitants
- Not all local authorities' competences had secured financial resources
- Low share (5.1%) of local budgets' own revenues in the GDP
- Social, cultural and transport infrastructure developed insufficiently at communities' level
- Low level of availability and quality of public services

1 April 2014

The Government approved the Concept of the Reform of Local Self-Government and Territorial Organisation of Power in Ukraine

### THE GOAL:

To establish effective and capable local self-government and territorial organisation of power capable to provide high quality and accessible services to residents and serve the interests of people in all spheres of life

### Reform stages and results:

1

2014-2019

- voluntary amalgamation of communities
- fiscal decentralisation
- decentralisation of powers

2

2020

- establishment of new administrative and territorial structure of Ukraine is completed

3

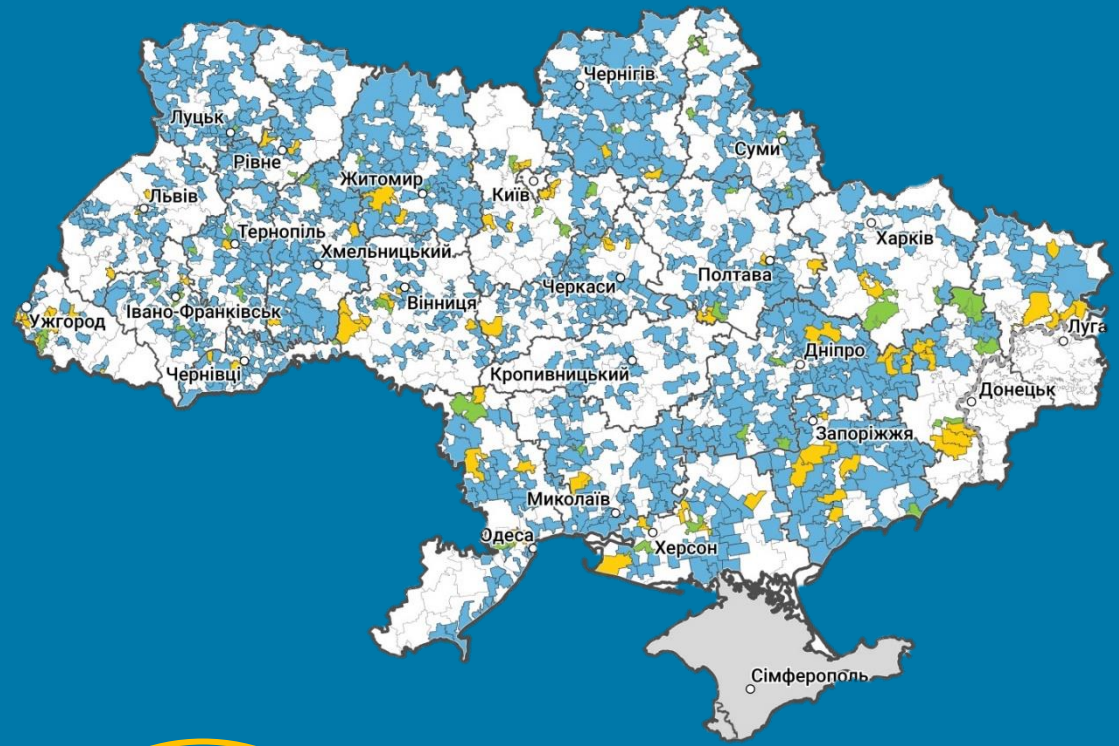
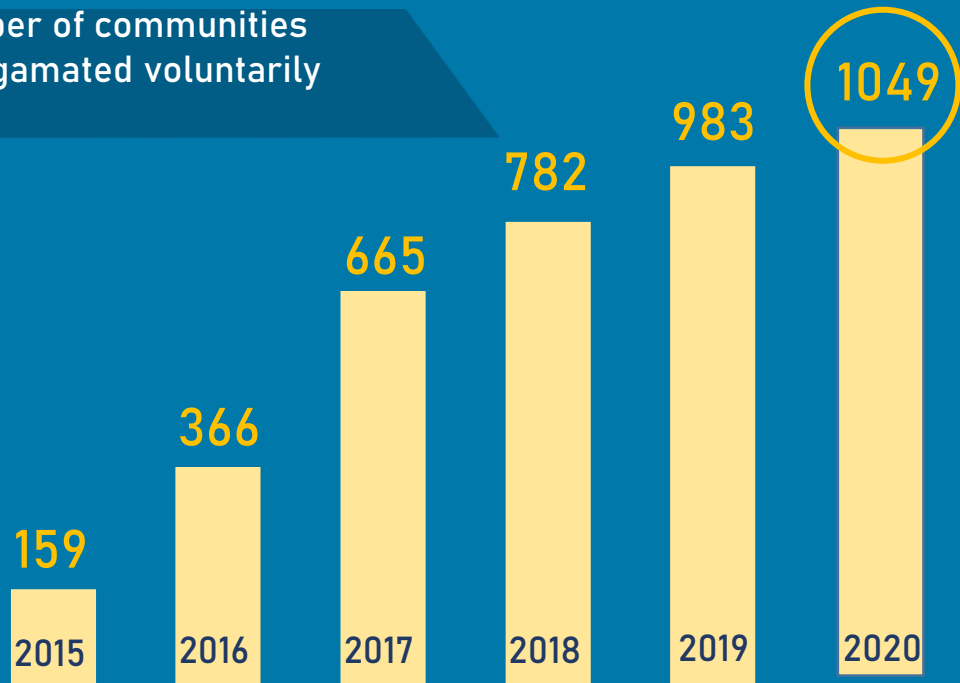
2021-2024

- results of the reform to be enshrined in the Constitution of Ukraine
- laws to be aligned with the European Charter of Local Self-Government

# 1

## RESULTS OF THE FIRST STAGE OF THE REFORM (2014 – 2019)

Number of communities amalgamated voluntarily



11 520

Total number of territorial communities prior amalgamation (as of 01.01.2015)

10 952\*

without the temporarily occupied territories

4792

43,7 %

Communities amalgamated voluntarily

6728

56,3 %

Communities not amalgamated voluntarily

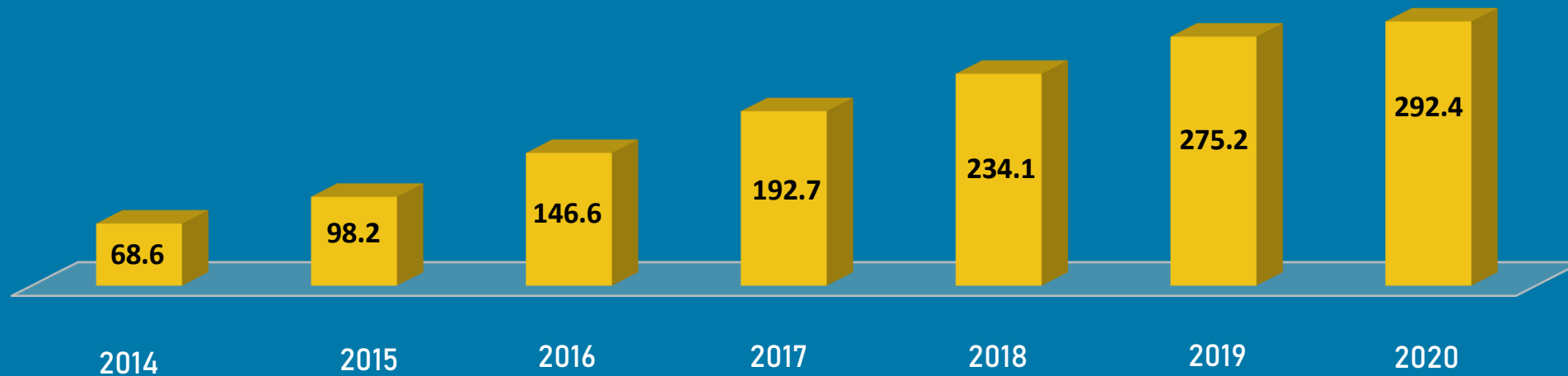
# 1

## RESULTS OF THE FIRST STAGE OF THE REFORM (2014 – 2019)

### ➤ Fiscal decentralisation

Local budget revenues **increased four times** from **68.6** bln UAH in 2014 to **292** bln UAH in 2020

The total volume of local budgets' own revenues, bln UAH



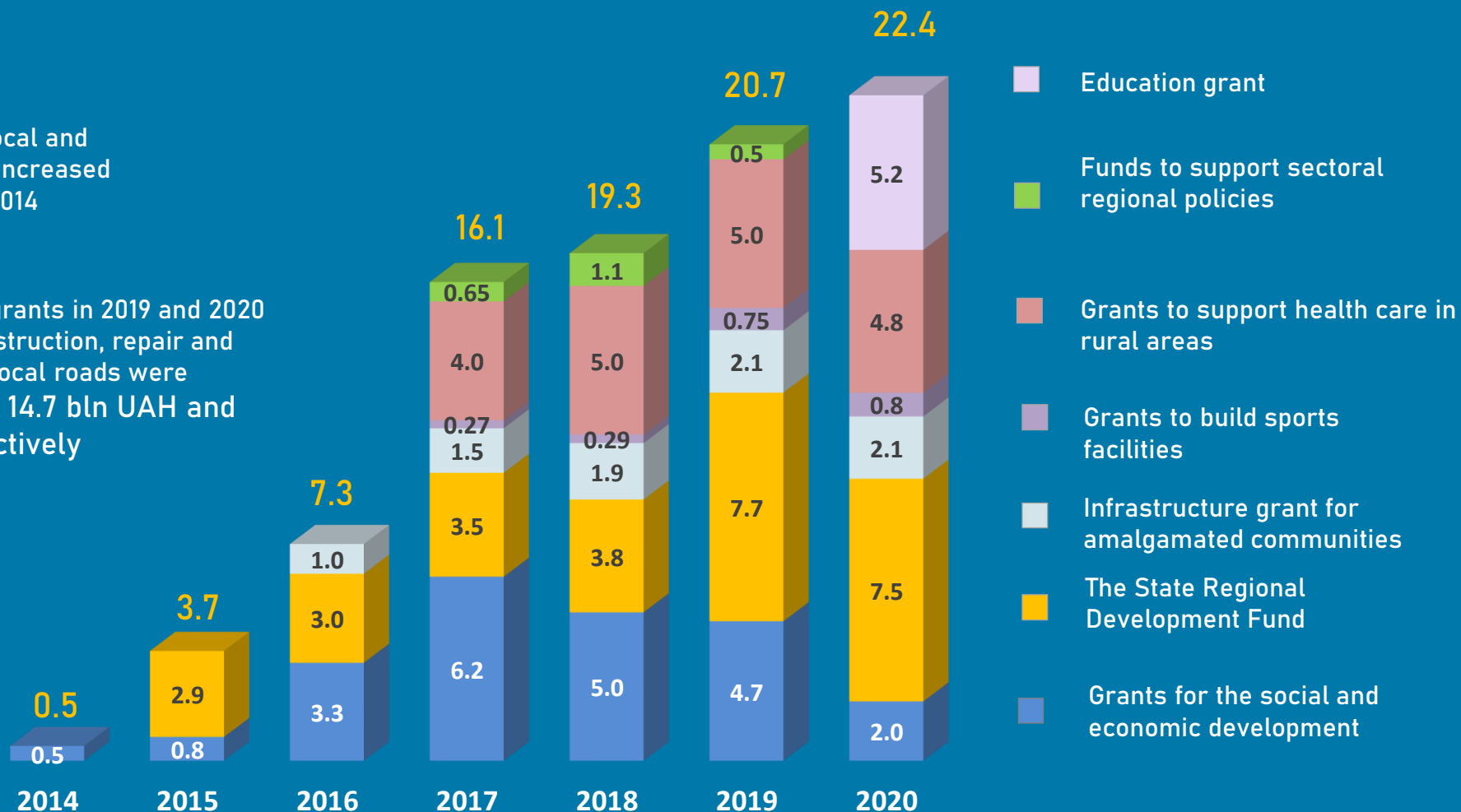
# 1 STATE FINANCIAL SUPPORT FOR THE DEVELOPMENT OF COMMUNITIES AND INFRASTRUCTURE IMPROVEMENT

➤ To support regional and local development (bln UAH):

over 40 times

the state support for local and regional development increased in 2020 compared to 2014

Moreover, categorical grants in 2019 and 2020 for construction, reconstruction, repair and maintenance of public local roads were allocated in the amount 14.7 bln UAH and 22.2 bln UAH, respectively



# 1 RESULTS OF THE FIRST STAGE OF THE REFORM (2014 – 2019)

## ➤ Decentralisation of powers

Competences transferred to local authorities in the following areas:

- education
- health care
- social services
- administrative services
- urban development, architectural and construction supervision
- maintenance of local roads
- land management  
start of the transfer of state-owned lands



# 2

## RESULTS OF THE SECOND STAGE OF THE REFORM (2020)

### ➤ Basic level

New administrative and territorial structure



1470  
communities  
approved by the  
Governmental  
decision



**11 520**

communities

**IN THE PAST**



On 25 October 2020 local elections were called on a new territorial basis in **1 420** newly established communities



**1 470**

communities

**NOW**

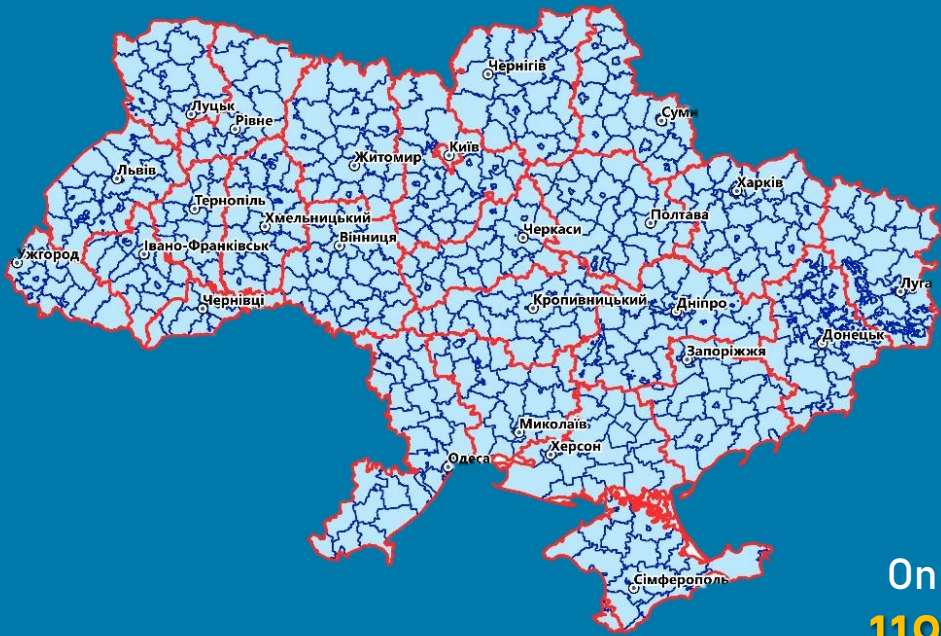


# 2

## RESULTS OF THE SECOND STAGE OF THE REFORM (2020)

### ➤ Sub-regional level

### New administrative and territorial structure



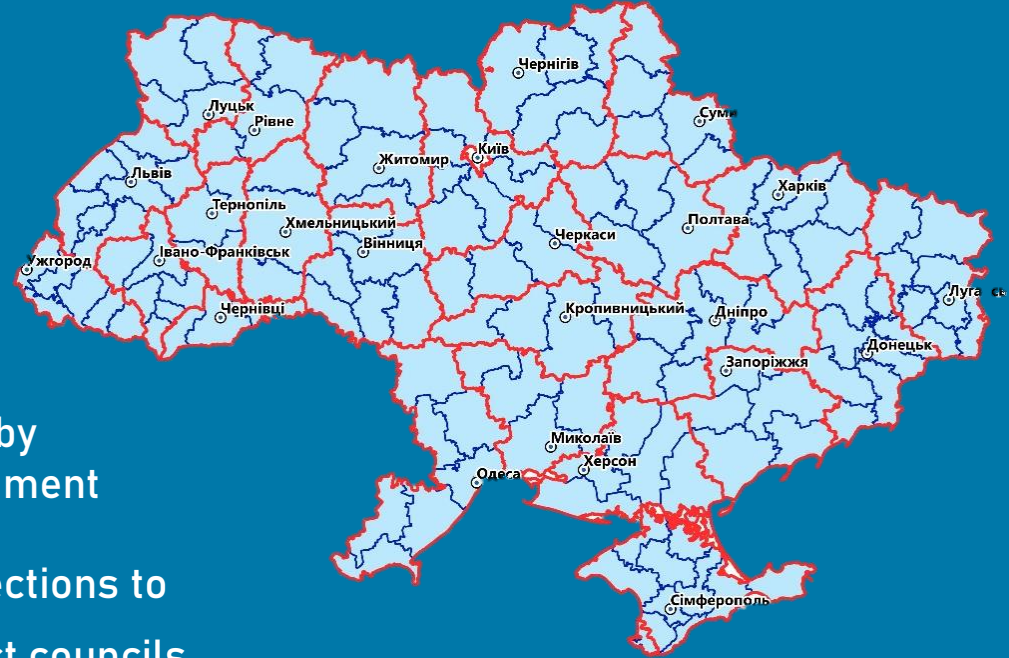
**490** districts

6,000-180,000 residents



136 districts created by the decision of the Parliament

On 25 October 2020 local elections to **119** newly established district councils were held



**136** districts

150,000 residents. EU NUTS 3 standard. Out of them 36 districts with population below 150,000 residents

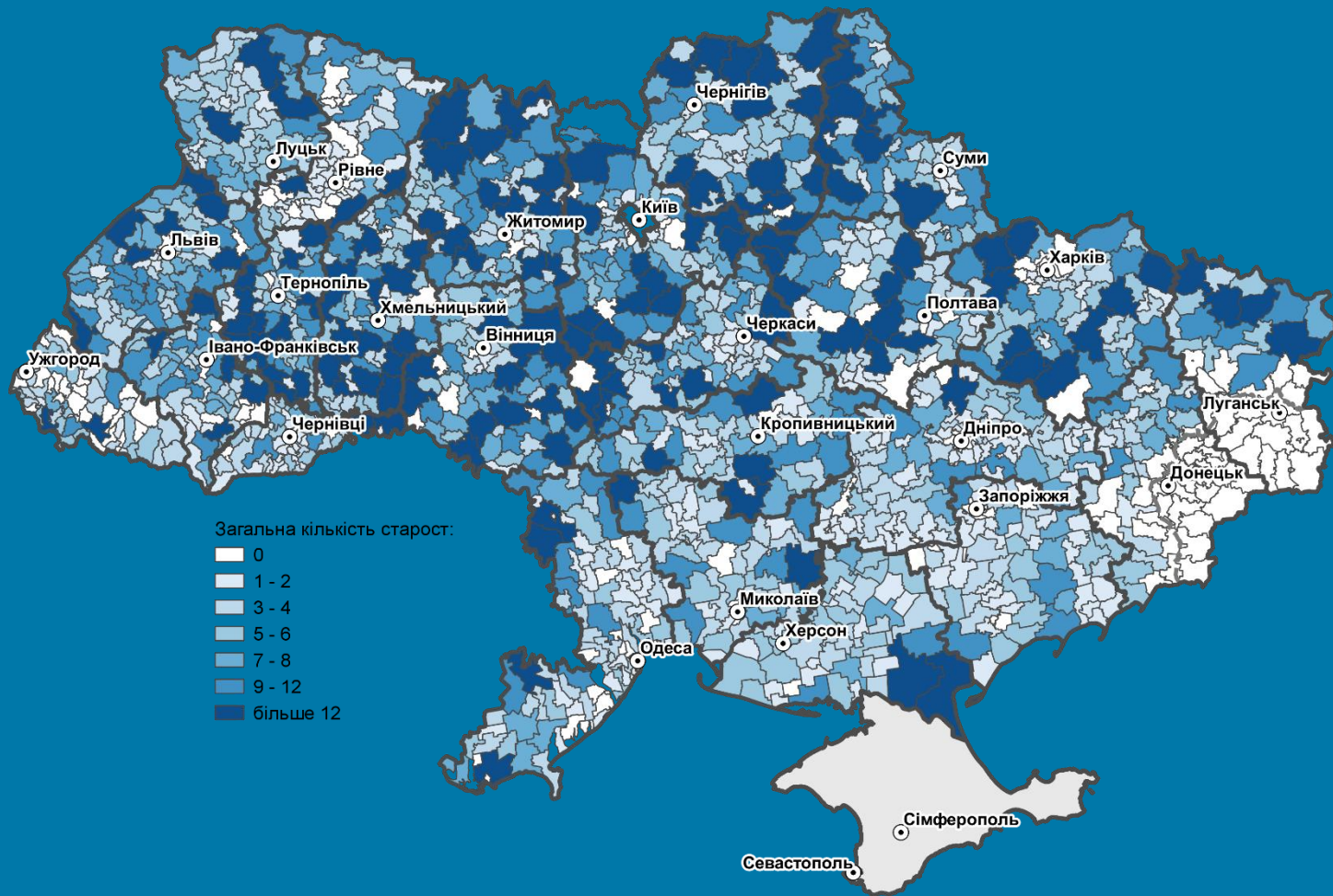


**IN THE PAST**

**NOW**

# 2

## DEVELOPMENT OF THE STAROSTA INSTITUTION (“ELDER”)



**1420** Communities, where first elections took place

**7707** Number of starostas approved by the community's council

**8017** Starosta's counties established (territories of starosta jurisdiction)

out of which:

% against population size, persons:

**16 %**  
up to 500

**57 %**  
500 - 1500

**21 %**  
1500 - 3000

**7 %**  
more than 3000

# 2 STRENGTHENING FISCAL AUTONOMY AND CAPACITY OF LOCAL SELF-GOVERNMENT

## ➤ Fiscal autonomy of communities

**1438**

**communities** from 1 January 2021 received funds directly from the state budget

## ➤ Formation of communities' infrastructure

**23 530**

educational, cultural, health care and other facilities transferred from district level to communities



## ➤ Strengthening communities' material basis

**1329**

**communities** received from the state property to communal one

**2306,44** thousand hectares of agricultural lands

## ➤ State financial support for development of communities and infrastructure **for 2021**

**81,8** billion UAH, including:

49,6 – roads infrastructure

15,5 – regional development projects

4,5 – rural territories development

4,1 – education

3,5 – health care

0,3 – culture

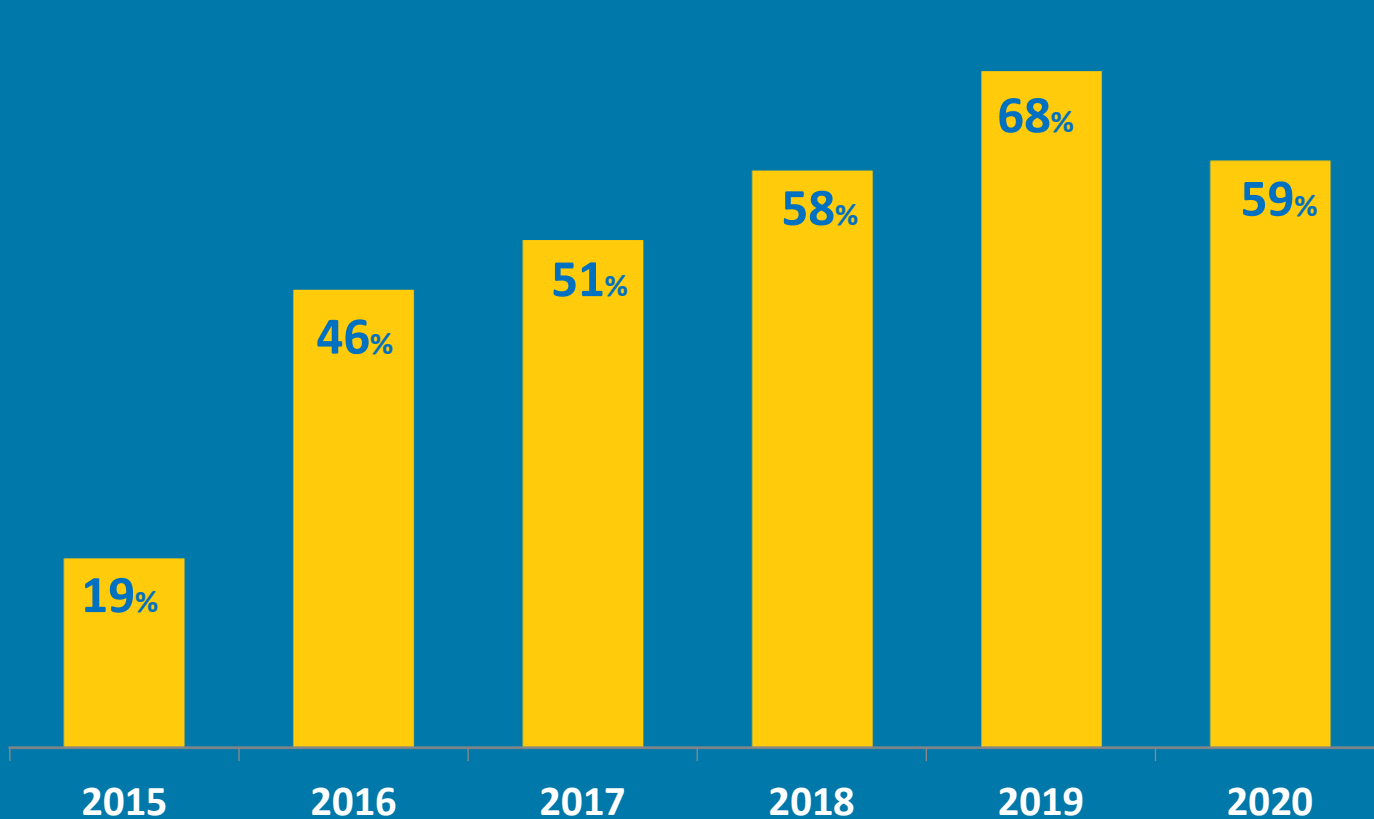
0,8 – sport's infrastructure

1,5 – transport infrastructure

1,7 – infrastructure in the area of social protection

0,3 – other areas of territories' development

# SUPPORT FOR THE REFORM. FINDINGS OF OPINION POLLS



59%

of Ukraine's population believe the local self-government reform is necessary

*As of December 2020*

**81%** of residents of Ukraine, among those who are aware of the decentralisation reform, believe that the reform is needed

**59%** Ukrainians admitted improvements as a result of the reform or are expecting it

*Survey commissioned by the Council of Europe in Ukraine*

## RESULTS OF THE REFORM FOR 2014-2020

On 11 February 2021, the European Parliament recognised the decentralisation as one of the most successful reforms in Ukraine



“The European Parliament welcomes the achievements of the reform on decentralisation and the empowerment of municipalities, which has proven to be one of the most successful reforms so far...; assesses positively the steps taken so far with a view to decentralising public authority and public finances through a package of legal acts and their practical implementation; calls on the Commission to study the details of the decentralisation reform closely and to potentially use it as a successful case study for other countries”



## MAIN OBJECTIVES FOR 2021 – 2024:



- Accomplishments of the local self-government and decentralisation of power reform enshrined in the Constitutional amendments
  - Enshrined new administrative and territorial structure of Ukraine
  - Ensured material and financial basis of local self-government
  - Established executive committees of district and regional councils
  - Introduced the prefect institution
  - Enshrined administrative supervision
- Finalisation of the decentralisation of powers in line with the subsidiarity principle
- Strengthened accountability of local authorities to residents and law
- Improved procedures to involve residents in local affairs and decision-making
- Increased competence of local authorities in setting and levying local taxes and fees
- Improved legal mechanisms for establishment and development of urban agglomerations and inter-municipal co-operation
- Improved public security through recognition of the right of local councils to create municipal guards
- Introduced modern system of local statistics collection
- A Centre for administrative services established in each community



## Council of Europe Programme

“Enhancing decentralisation and public administration reform in Ukraine”  
*implemented by the Council of Europe Centre of Expertise for Good Governance,  
Directorate General of Democracy – DGII*

- Processing recommendations and opinions of the Council of Europe on amendments to the Constitution of Ukraine and other relevant legislation
- Institutional support to the Ministry: Office to Support Decentralisation Reform
- Participation in thematic consultations on legal personality of territorial communities, moderated by the Council of Europe in coordination with the Specialised Parliamentary Committee
- Implementation of the Council of Europe toolkits: Best Practices and Leadership Academy Programmes
- National Media Contest on local self-government and territorial organisation of power
- Annual opinion polls
- On need basis: involvement of the Congress of Local and Regional Authorities, Venice Commission, European Committee on Democracy and Governance (CDDG)