



Kyiv, 22 September 2017

Figure of the month: 201 new communities, entailing almost 800 villages and small towns, received green light for local election on 29 October 2017 to transform into the new statute of an amalgamated community.

Summary

- Director of the Local Government Development Centre (EU - ULEAD) in Oblast Kyiv, appointed.
- Huge interest of new municipalities in an EU - ULEAD funded conference on "Inter-Municipal Co-operation – examples in Poltava Oblast", from 21 – 23 August 2017.
- Experts on finance and budget planning and communication trained to work for 24 "Local Government Development Centres" of ULEAD.
- Central Election Committee fixed the date of new local elections in 201 new hromadas for 29 October 2017.
- German Government appointed a Special Envoy on Decentralisation.
- President Poroshenko laudits the decentralisation reform in his annual address to the Parliament on 7th September 2017.
- Concerns of Ukrainian cities and municipalities on a draft law, prepared by the Ministry of Regional Development on control of local government by state authorities.

EU support to the Decentralisation reform

1. **Director of the Local Government Development Centre (funded by EU- ULEAD) in Oblast Kyiv, appointed.** The search for experienced management to run the Local Government Development Centre (LGDC) of the Oblast Kyiv turned into a challenge. Repeatedly job openings on this position had to be closed for the lack of good applicants. Finally the selection committee identified a suitable applicant. With his appointed as the new director of the LGDC in Oblast Kyiv all regional centres of ULEAD are staffed with management to provide support to municipalities.
2. **[Huge interest of new municipalities in an EU - ULEAD funded conference on "Inter-Municipal Co-operation – the examples in Poltava Oblast", from 21 – 23 August 2017.](#)** Voluntary inter-municipal cooperation is key to a bottom up development of a subsidiarity driven structure of Ukraine. A previous workshop on inter-municipal cooperation, funded by Eu and organized by OECD received a lot of attention of local governments. In a supplementing action, GIZ organised with ULEAD funding another larger conference on inter-municipal cooperation in Poltava, inviting representatives of new hromadas from other regions of Ukraine. The Oblast Poltava is the leading region in terms of voluntary inter-municipal cooperation. Nowhere else in Ukraine there are so many agreements on inter-municipal cooperation established inviting for hands on discussions on the topic in situ. During the conference participants were invited to visit examples of successful cooperation and discuss in place the experiences made by stakeholders within these cooperation projects.

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- 3. Experts on finance and budget planning and communication trained to work for "Local Government Development Centres" of ULEAD.** After amalgamation, new hromadas face substantial challenges in mastering by themselves their local budgets. To help new local administrations to cope with these challenges, all 24 Local Government Development Centres of ULEAD will be staffed with experts on local budget and finance. As management of own budget by municipalities is something new to Ukraine there are no established ways for formal trainings on this topic. Selected professionals with a sound background in finance and budget were therefore trained within ULEAD during a workshop the workshop from 14 to 15 August 2017, to get equipped with state of play knowledge on the latest changes in legislation on local budget planning and implementation. In another workshop experts on communication were trained from 7 to 8 September.

Policy developments

- 4. Central Election Committee fixed the date of new local elections in 201 new hromadas for 29 October 2017.** For long time expected by stakeholders, the Central Election Commission finally decided on 18th August 2017 to conduct local election in 201 new hromadas on 29 October 2017. A new local election finalizes the amalgamation process. 229 new hromdas had submitted their request for amalgamation. After processing the documentation the Central Election Commission gave green light for 201 out of 229 applications. There is a large heterogeneity between regions with regards to the dynamics of the amalgamation process: While in the region of Volynska there are 19 new hromadas waiting for the new local elections, there is only one in the region of Mykolajiv.
- 5. German Government appointed a Special Envoy on Decentralisation.** At the G7 meeting in Taormina, President Poroshenko proposed to identify "special envoys" for specific areas of the Ukrainian reform agenda, among other topics also on decentralisation. Following this request the German Government appointed [Georg Milbradt](#) as a special envoy on decentralization, good governance and civil service. Prof Milbradt, former Minister-President of Saxony and economist, has a rich record of consultancy on decentralization. Prof Milbradt visited Ukraine in this new function in the week from 14 to 18 August 2017 to introduce himself to stakeholders. For an interview on his mission, please see [here](#).
- 6. President Poroshenko plaudits the decentralisation reform in his annual address to the Parliament on 7th September 2017.** In his speech President Poroshenko called the decentralisation reform a key element of his campaign. He recalled the impressive growth of local budget from 69 billion hryvnias in 2014 to 170 billion hryvnias planned for the current year, which would mean 50% of the consolidated budget of the country. At the same time, he called for caution regarding the future role of regions. The transcript of the address (in Ukrainian only) one can find [here](#).
- 7. Concerns of Ukrainian cities and municipalities on a draft law, prepared by the Ministry of Regional Development on the State Control of Compliance of Decisions of Local Governments with the Constitution and Laws of Ukraine.** The Ministry of Regional Development had developed in 2016 a draft law on the state control of local governments through the state. The draft foresees a very rigid control mechanism. District level state administration would be entitled to stop any decision of new hromadas. Such a mechanism of control could bring local decision making to an end. After the Ukrainian association of cities raised its concerns the draft law for blocked for now by Prime Minister Groysman.

Further readings:

DESPRO Newsletter – August edition, see [here](#)
DOBRE Newsletter – August edition, see [here](#)