

Swedish-Ukrainian Project Support to Decentralisation In Ukraine 2020-2022



Monthly Flash Report

January 2021

Fiscal Decentralisation

In January, the Fiscal Decentralisation team worked on the following tasks:

- On 18 January, Project's fiscal team met with Deputy Minister of Regional Development, Vyacheslav Negoda, to discuss the issues of PIT payment mechanism in Ukraine and finance equalisation framework for local governments and how to proceed with amending them
- During January, fiscal team was working on background material and action plan that would outline how to implement the agreed approach

Project experts placed in the Reform Support Office worked on:

- [Range of analyses of the local government financial data \(both revenues and expenditures\) comparing data for 11 months of 2019 and 2020 with key indicators. Analysis was usually coupled with design of graphic materials to illustrate the results](#)
- [Contributions to the monthly report "Monitoring the process of decentralization of power and reform of local self-government" with indicators for 11 months of 2019 and 2020](#)
- [Explanations on the financing of reformed rayon councils](#)
- Analysis of rayon budget balances as of 01.01.2021 (at the request of the Minregion)
- [Inputs for the explanation \(algorithm\) for local governments on how they can use the unspent balance of 3 billion UAH from the 2020 education subvention](#)
- Drafting proposals for Minregion to improve the mechanism for exchanging information on payment of taxes and fees between the State Fiscal Service and local governments
- Drafting information on the powers, revenues and expenditures of rayon councils in accordance with the Budget Code of Ukraine for MinRegion
- Preparation of answers to questions submitted through <https://decentralization.gov.ua>, on local governments' budgets (at request of MinRegion)
- Ongoing support to MinRegion with analyses, opinions, reports, participation in working groups and drafting materials for meetings of high level officials

Decentralisation of Education

During January 2021, the work of the education decentralisation team focused on:

- Guidance, support and coaching for Ministry of Education and Science (MES) staff responsible for the education financing mechanism on:
 - Making ad-hoc corrections to the 2021 version of the MS Excel based subvention allocation tool (Simulator) related to introduction of the new administrative-territorial structure
 - Integration of the Dashboard to the MS Excel based subvention allocation tool (Simulator) in order to make reading data easier for non-professionals
 - Finalisation of proposed amendments to the Decree of the Cabinet of Ministers No. 1088 dated 27.12.2017 “On the approval of the formula of distribution of the educational subvention between local budgets”
- Continuation of analytical support to MES in design of the structure, composition and approaches to the salary reform of pedagogical staff:
 - Finalisation of the publication on case studies on teacher salary reforms in Poland, Estonia and Lithuania
- Policy advice to MES and the Institute of Education Analytics regarding the development and implementation of additional statistical collection modules - Individual Teacher Data, Individual Student Data
- Project experts continued work on the development of the online repository of the products and resources on education management in local self-governments, for the purposes of contributing to the capacity building of the local self-government employees

Support to Parliamentary Committees

- On 25 January, Project experts presented the case-study [The Role of the Local Government Associations in Poland and Sweden](#) during the meeting of the Parliamentary Committee on Organization of State Power, Local Self-Government, Regional Development and Urban Planning
- Project Team Leader took part in the regular meetings of the Parliamentary Committee working group discussing the draft Law on Local Self-Governments. Inputs were provided on issues related to the legal status of local self-governments, division of competences, role and scope of LSG Statute, basis of the financial autonomy of the LSGs, structured dialogues between the state authorities and local government associations

Support to the Association of Amalgamated Territorial Communities (AATC)

- On 27 January, the [offline meeting of the AATC Board](#) was held to discuss and approve the report on the activities of the Association for 2020, plans and budget for 2022. SKL International, USAID DOBRE and DECIDE (Switzerland) projects also presented their plans for cooperation with the Association. The position of the Association on the Law on the starostas and the Appeal to the Prime Minister of Ukraine on tariffs and proposals for a budget resolution for 2022 were discussed

- The project continues to support the regional activities of the AATC. Meetings of [Ivano-Frankivsk](#), Sumy and Kharkiv regional branches of the Association were held during January
- The AATC management and experts participated and presented its positions in the Working Group of the Committee on the Organization of State Power, Local Self-Government, Regional Development and Urban Planning of the Verkhovna Rada of Ukraine on the development of a new version of the Law of Ukraine on Local Self-Government
- [An appeal to the members of the Parliament](#) to support the draft law "On Associations of Local Self-Government Bodies" (concerning the elimination of restrictions on local self-government bodies' membership in all-Ukrainian associations) was prepared and disseminated (Reg. №2668 of 23.12.)
- On 25 January, the AATC took part in, presented and defended its position at a meeting of the Committee on the Organization of State Power, Local Self-Government, Regional Development and Urban Planning of the Verkhovna Rada of Ukraine on consideration of Bill 2668 on lifting the restriction on joining associations

The Project's support to the work of the legal and budget and finances platforms of the Association:

- **In the framework of the Association's Legal platform:**
 - Elaboration of the project and submission of proposals to the Law "On Amendments to Certain Laws of Ukraine on the Development of the Institute of Starostas" (Reg. № 4535 of 22.12.2020)
 - Presentation of the AATC's position at the meetings of the Working Group discussing the draft law "On Local Self-Government in Ukraine" (based on the permanent Working Group of the Verkhovna Rada Committee on State Power, Local Self-Government, Regional Development and Urban Development)
 - Elaboration of the draft order of the Cabinet of Ministers of Ukraine "Some issues of network optimization and operation of administrative service centers", developed by the Ministry of Digital Transformation. Preparation of a letter to the Ministry of Digital Transformation
 - Providing consultations to members of the Association on legal and organisational issues of new local governments
- **Within the framework of the Association's platform "Local budgets and finances":**
 - An analysis of the Law of Ukraine "On Amendments to the Tax Code of Ukraine", identification of provisions that may lead to losses for territorial communities, prepared and sent an appeal from the AATC to the President of Ukraine as a subject of legislative initiative
 - A questionnaire for the survey on the topic: "Acute issues of budget revenues of territorial communities of Ukraine" was prepared
 - Elaboration of the draft Law on Amendments to the Budget Code of Ukraine to increase the efficiency of the use of the state fund of regional development. Meeting with financial experts on personal income tax, development of the position of the AATC
 - Preparation and submission of an appeal to the Budget Committee of the Verkhovna Rada of Ukraine on the draft law "On Amendments to the Law of Ukraine "On Privatization of State and Communal Property" on Protection of Interests of Territorial Communities" (Reg. № 4166 of 29.09.2020), preparation of comments
 - Analysis of the draft resolution of the Cabinet of Ministers of Ukraine "On Amendments to the Resolution of the Cabinet of Ministers of Ukraine" of March 9, 2006 № 268 ", [preparation of comments](#), referral to the central executive authorities

Communication:

- [The digest covering the activities of the Association in January was released](#)
- [Facebook page](#), [Association's official web-site](#), [the "The best practices" web-site](#) were continuously updated

- Ongoing support and maintenance of the [Telegram channel](#) of the AATC
- Creating video interviews on the Time of Change channel. Interview with [Valentina Poltavets](#) and [Artur Shevtsov](#)
- A logo and visual materials for the land surveyor's school based on the Rural Development platform have been developed
- Preparation of [the rubric "Questions and Answers"](#), based on the answers of experts of the AATC

Gender component

- Planning of the take-up of the results of the Sida funded Projects coming to an end in 2020 (Gender Responsive Budgeting, U-LEAD component 2)
- Inclusion of gender component in the 2021 AATC action plan
- Preparation of AATC contribution for the UN Women conference

Communication

Promoting decentralisation reform

Project's Communication expert worked on the following tasks:

- Online meeting with the representatives of National Agency on Civil Service to discuss adaptation of products to the Training portal formats
- Support of the AATC in preparation for the events
- [Quarterly Newsletter for 4th quarter of 2020](#)
- Administration of the Facebook groups for education practitioners, Viber groups of regional teams of education managers
- Working on technical solution for Education management repository
- Participation in the meetings of the Donor coordination WGs 6.1 and 6.2
- Project data entry in MinRegion's Capacity building database

Project communication

- Continuous updates to the [Project's website](#) and [Facebook page](#)