

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



Monthly Flash Report

March 2021

Fiscal Decentralisation

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

- [On 3 March, Project expert Tony Levitas held a presentation at a round table organised by the Association of Amalgamated Territorial Communities \(AATC\) on the place of collection of personal income tax \(PIT\)](#)
- Throughout March, discussions were held with the Kiev School of Economics (KSE) on the methodology for the project study of PIT place of collection
- Meetings were also held with the U Lead project colleagues to discuss our work on PIT and possible cooperation
- Project reviewed the public finance management strategy and action plan prepared by the Ministry of Finance

Project experts placed in the Reform Support Office worked on:

- Calculation and preparation of information on balances of accounts of the 169 rayons as of 1 January 2021
- [Preparation of materials on range of indicators on implementation of local budgets of 872 AHs in 2020 \(per 5 population-size based cohorts\)](#)
- Drafting of a report on the problems of distribution and use of educational subvention funds in 2021 (upon the request from the MinRegion for a meeting of the Parliamentary Committee)
- Drafting proposals for recovery of medium-term loans of local budgets issued in 2009-2014
- [Monitoring of hromada financial performance for the first 3 months of 2021"Monitoring the process of decentralization of power and reform of local self-government"](#)
- Preparation of information and analytical report on impact of green tourism on local taxes and fees
- Preparation of a template for submission of balance information to the State Treasury
- Participation in discussion on proposals for the Tax Code changes to offer hromadas an opportunity to administer local taxes and fees. The agreement has been reached to create a Working Group and perform analysis as to what this would imply?
- Drafting proposals for the amendments to the Tax Code on the payment of tourist tax and an analytical note on improving the administration of the tourist tax
- Preparation of answers to questions submitted through <https://decentralization.gov.ua>, on local 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:

- Drafting information and analytical materials for the Deputy Minister for participation in the meeting of the Parliamentary Committee on Local Self-Government on balances of rayon budgets, financing of institutions and transfer of property
- Preparation of proposals, remarks and comments to the draft Resolution of the Verkhovna Rada of Ukraine "On the appeal to the Cabinet of Ministers of Ukraine to take measures aimed at repaying the debts of local communities in the fields of education, culture, health and social protection, which arose in connection with changes in the administrative-territorial structure of Ukraine"

Decentralisation of Education

During March 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 preparation of data to be used in preliminary calculations of the allocation of the education subvention for 2022
- Finalisation of the "Individual subvention statements" - an informational toolkit for local self-government bodies designed for easy access to information on volume of funds allocated to the LSG and all main parameters used for calculation according to the Formula of Allocation of Education Subvention
- 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 modern statistical collection procedures - a short note was prepared on the Design of an [Analytical Note on On the Network of Profile Lyceums \(SN 123\)](#)
- Project experts took part in a series of strategic online sessions on further advancement of the concept of profile education initiated by the Ukrainian Institute for Education Development
- [Project experts developed 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 and finalised publishing of the materials

Support to the Association of Amalgamated Territorial Communities (AATC)

- With the support of the project, the AATC organised the regional week initiative in:
 - [Khmelnyska oblast](#) on March 16-19. Meetings of platforms, heads of communities of the region and meetings of managers were held. Professional networks are launched.
 - [Odessa oblast](#) on March 22-26. Meetings of platforms, heads of communities of the region and meetings of managers were held. Professional networks are launched
- Project experts prepared Guidelines for regional work and financial autonomy of Association
- A concept of informal meetings with hromada heads - A Coffee with the Mayors - was prepared by the Project experts. The purpose of these meetings is to gather mayors in an informal atmosphere to discuss strategic and foreign issues. First meeting is planned for April and shall focus on social care
- On 1 March, the AATC representatives presented their position at the Round Table "Law on Local Self-Government" of the Parliamentary Committee on the Organization of State Power, Local Self-Government, Regional Development and Urban Planning
- On 23 March, AATC representatives took part in the meeting of the Ministry of Regional Development on amendments to the law on local self-government and budget and tax legislation

- On 31 March, Executive Director of the AATC [took part](#) in the NDI conference "Equality in Politics" and spoke on gender policy in local self-government
- On 15 March, AATC representatives took part in a meeting of the interdepartmental commission of the Cabinet of Ministers of Ukraine to consider regional development issues
- The Project continues to support the regional activities of the Association. Meetings of Sumy, Odesa and Khmelnytsky regional branches of AATC were held in March

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:**
 - An appeal was prepared to the Parliamentary Committee on the Organization of State Power, Local Self-Government, Regional Development and Urban Planning regarding the Association's position on the Draft Law on Amendments to Certain Legislative Acts of Ukraine on Creating Legal Grounds for Agglomeration, 2637 dated 19.12.2019
 - Legislative proposals were drafted and a letter was prepared to the Parliamentary Committee on the Organization of State Power, Local Self-Government, Regional Development and Urban Planning to strengthen the openness, transparency, transparency and accessibility of local governments regarding:
 - Draft Law on Amendments to Certain Laws of Ukraine Concerning Strengthening the Openness of the Work of Local Self-Government Bodies and the Verkhovna Rada of Ukraine (Reg. №4582)
 - Draft Law on Amendments to the Law of Ukraine "On Local Self-Government in Ukraine" on Publicity in the Work of Local Self-Government Bodies (Reg. №4582-1)
 - Draft Law on Amendments to Certain Legislative Acts of Ukraine to Increase Transparency and Accessibility for Analysis of Decisions of Local Self-Government Bodies (Reg. №3567)
 - Draft Law on Amendments to Certain Legislative Acts of Ukraine to Increase Transparency of Local Self-Government Bodies (Reg. №3567-1)
 - Participation in the meetings of the Parliamentary Committee on the Organization of State Power, Local Self-Government, Regional Development and Urban Planning
 - [Moderation and holding of an online seminar](#) "Legal support of territorial communities" (Interaction with law enforcement agencies) on 12 March
 - Meeting with the presentation of the Platform "Legislation for ATC" in the framework of the [Khmelnytsky Regional Week](#) on 16 March and [Odessa Regional Week](#) on 23 March, forming of the hromada lawyers network
 - Providing advice to members of the Association on legal and organisational issues of new local governments
 - Preparation, delivery and moderation of the online seminar "Legal support of territorial communities" (Interaction with law enforcement agencies) on 26 March
- **Within the framework of the Association's platform "Local budgets and finances":**
 - On 3 March [a webinar](#) was held on the financial basis of local self-governments. Independence and development. Distribution of personal income tax in the EU and in Ukraine
 - On 17 March, participation in the meeting of the Commission for evaluation and selection of investment programs and regional development projects that can be implemented at the expense of the State Fund for Rural Development.
 - [Formulation of the AATC proposals](#) to the 2022 Budget Declaration, for the submission to MinFin and Cabinet of Ministers.
 - On [March 16](#), meeting with finance managers of Khmelnytska oblast hromadas in the framework of the "Regional Week" initiative.
 - On [March 23](#), meeting with finance managers of Odesa oblast hromadas in the framework of the "Regional Week" initiative..

- On 30 March, [Participation in the round table](#) "Support of business entities in communities at the expense of local budgets and the need to report on the provision of state aid to the AMCU" with the participation of representatives of the Antimonopoly Committee and the MinRegion.
- Analysis of draft laws on personal income tax, [formulation of the AATC position](#) for the Parliamentary Committee on Local Self-Government:
 - "On Amendments to the Budget Code of Ukraine to Further Strengthen the Financial Capacity of Communities" (Reg. № 5066 of 15.02.2021);
 - "On amendments to the Tax Code of Ukraine on the procedure for crediting personal income tax in connection with the completion of the decentralization reform" (Reg. № 4369 of 12.11.2020);
 - "On Amendments to Article 64 of the Budget Code of Ukraine on the Procedure for Crediting Personal Income Tax in Connection with the Completion of Decentralization Reform" (Reg. № 4370 of 12.11.2020);
 - "On Amendments to the Tax Code of Ukraine to Ensure Payment of Personal Income Tax to Relevant Local Budgets at the Actual Location of a Separate Subdivision of a Legal Entity" (Reg. № 4238 of 20.10.2020);
 - "On Amendments to Certain Legislative Acts of Ukraine Concerning the Promotion of Payment of Personal Income Tax to Relevant Local Budgets at the Actual Location of a Separate Subdivision of a Legal Entity" (Reg. № 4239 of 20.10.2020);
 - "On Amendments to the Tax Code of Ukraine to Stimulate Community Development" (Reg. № 4115 of 17.09.2020);
 - "On Amendments to Articles 14 and 168 of the Tax Code of Ukraine on the crediting of personal income tax at the location of production units" (Reg. № 4062 from 07.09.2020)
- **In the framework of the Association's Gender platform:**
 - [Meeting of the AATC platform "On Gender Equality" was held on 23 March, with the participation of 13 people, 12 women and one man](#)
 - Two online seminars "Strategic value of gender policy and its implementation in practice" [for the board and council of AATC on 11 March](#) - with participation of 21 people, 19 women and 2 men; [for Project team and AATC staff on 18 March - with participation of 16 people, 10 women and 6 men](#)
 - Express-gender monitoring of AATC communication was carried out for the AATC website and social networks (Facebook page). Results and recommendations were presented to the team
 - Information materials on gender equality were prepared for the AATC website and social networks (Facebook page)
 - Gender legal expertise was prepared on normative legal acts (documents) of AATC, in particular: on statutes, strategy - 2022, regulations (on the procedure for electing the chairperson of AATC, on regional (regional) branches, on thematic and sectoral platforms), results and recommendations were presented to the team
 - Provision of information to the executive director of the AATC for participation in the online media marathon of National Democratic Institute "Equality in Politics", on 31 March

Communication:

- [The digest covering the activities of the Association in March was released](#)
- [Facebook page](#), [Association's official web-site](#), [the "The best practices" web-site](#) were continuously updated
- Ongoing support and maintenance of the AATC's [Telegram channel](#) and [Viber channel](#).
- Creation of the monthly [calendar of events](#).
- Working on creation of video interviews on the channel "Time for Change." Interviews with [Velina Zayats](#), [Volodymyr Mitsuk](#), [Ihor Hnatusha](#), [Hryhoriy Rudyuk](#).
- Information support of Regional Weeks in Khmelnytska and Odesa oblasts.

- Organisation and conducting of interviews, video editing and publishing, with the participation of heads from regions to the regional week: with the [head of Kuyalnytska hromada of Odesa oblast - Serhiy Palamarchuk](#), with the [head of Krasnosilska hromada of Odesa oblast - Oleksandr Voloshin](#), with the [head of Solobkovetska hromada of Khmelnytska oblast - Serhiy Kogut](#) , with the [head of the Chemerovetska hromada of the Khmelnytska oblast - Alexander Soban](#)
- Creating and distributing a [digest of relevant grants](#) for communities..

Gender equality

- Preparation and circulation of materials on the occasion of International Women's Day
- Information was provided on gender aspects of political processes in Ukraine, on request

Communication

Promoting decentralisation reform

Project's Communication expert worked on the following tasks:

- Preparation of the Quarterly Newsletter for the 1st quarter of 2021 (previous - [Quarterly Newsletter for the 4th quarter of 2020](#))
- Administration of the Facebook groups for education practitioners, Viber groups of regional teams of education managers
- Working on [Education management repository](#), web-page updates, design
- Working on February and March Flash Reports
- Project data collecting for MinRegion's Capacity building database
- Participation in the work of the decentralisation donor coordination working group on the reform communication
- Articles on education and gender:
 - ["Women in leadership: Achieving an equal future in a COVID-19 world"](#)
 - [Nordic Day Quiz](#)
 - [4 lessons from remote learning during COVID-19. study](#)
 - [Centre for Rural Medicine in Storuman. Experience for Ukraine](#)

Project communication

- [Publication "Local Government in the Nordic and Baltic Countries" prepared](#)
- Continuous updates to the [Project's website](#) and [Facebook page](#)