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**Formation of united local communities: condition, problematic issues and ways of their resolution**

Modern Ukraine has been in great economic and political difficulties. One of the reasons for this is ineffectiveness of the existing public administration system as well as administrative and territorial structure. Reformation of the country requires significant changes that should be aimed at the establishment of an open political system, as well as the development of civil society and the growth of each individual citizen’s welfare.

The reform of local self-government and territorial organization of power based on decentralization, the conceptual basis of which were approved in 2014, with its practical implementation start in 2015, is proved to be among the most effective and most significant among the declared policy reforms of our country[[2]](#footnote-2). The decentralization reform is aimed at establishing a modern system of local self-government in Ukraine based on European values of local democracy development, vesting local communities with powers and resources that will ensure local economic growth, provision of the public with high-quality and affordable public services.

The role of the united local communities in ensuring the interests of citizens in all areas of daily life activities at the respective territory should become central. The positive results achieved in the implementation of the decentralization reform are significantly due to special attention paid to it by the top officials and authorities in the state. In particular, the decentralization reform was constantly in the field of vision of the President of Ukraine. According to the Decree of the President of Ukraine “On high-priority measures for the development of the local self-government in Ukraine for 2017”, [[3]](#footnote-3) the rise of institutional capability of the local self-government is determined as a priority of state development for 2017. In September 2016, the Cabinet of Ministers of Ukraine approved the new edition of the action plan for the implementation of Concept of reformation of local self-government and territorial organization of power in Ukraine by its order[[4]](#footnote-4). The basic measures provide development of conceptual grounds of field reforms in education, health care, social security too, the improvement of legislative and regulatory support of reforms, the reinforcement of the responsibility of self-government bodies for their decisions, carrying out of information and explanatory work, consultative and methodological support of local communities. In April 2017, the Government adopted the Order “On approval of the medium-term plan of priority actions of the Government by 2020 and the plan of priority actions of the government for 2017”[[5]](#footnote-5). In the medium-term aspect, decentralization reform has been identified as one of the key priorities in formation of the system of effective governance in the state. Thus, a medium-term directional map of the reform has been adopted, which enables communities to plan both their budget and development not for a year, but for a long term. The medium-term plan provides for 100% consolidation of local councils of the basic level into capable local communities by 2020.

The decentralization reform has received quite wide support from the public and expert environment of Ukraine. Moreover, the highest support for reform was recorded in the regions that are leaders in the formation of united local communities.

The practical implementation of the consolidation process of the local communities began in the middle of 2015, thus, at present we can analyze the results of two-year work. In 2015, 159 united local communities that consolidated 793 local communities were formed. On October 25, 2015, new self-government bodies were elected in these communities, from January 1, 2016, they switched to direct budget settlements with the State Treasury and, according to the results of 2016; they showed a significant positive dynamics of their development. These communities received extended powers and additional resources that allowed them to implement infrastructure development projects: to repair and even build schools, kindergartens, water pipes, roads, street lighting systems, purchase utility equipment, create utility companies, take care of landscaping, etc.

In 2016 there was a significant progress in the formation of the united local communities (ULCs) - their number increased by 2.3 times. As of 2017, there were 366 ULCs in Ukraine, consolidated 1740 local councils in which the first local elections were held. In 2017, these communities switched to direct interbudget relations with the State Budget of Ukraine. In 2016, the process of election of the elders in villages and settlements of the united communities began. In 2017, following the adoption of a number of laws resolved the problem issues of the consolidation, the process of ULC formation received a new impulse for activation. On April 30, 2017, the first local elections took place in 47 other ULCs. As of the end of 2017, 413 ULCs were formed in Ukraine that consolidated 5258 settlements, in which the first elections of local self-government bodies took place.

The practical process of formation of the united local communities constantly reveals problematic issues that require legislative or normative regulation. Thus, in 2016, the Cabinet of Ministers of Ukraine adopted the Resolution “On amendments to the methodology for the formation of capable local communities”[[6]](#footnote-6), which regulated the issue of making changes to long-term plans for the formation of territories of communities in regions, the submission of such changes to the Government consideration, as well as the official confirmation of composition of united local communities included in the relevant long-term plan. The significant improvement of process legislative regulation of formation of the capable local communities took place in 2017:

− The Law of Ukraine “On amendments to certain legislative acts of Ukraine on voluntary adhesion of local communities”[[7]](#footnote-7) was adopted. The law introduced the procedure for voluntary adhesion to the ULC established already; the requirements for the recognition of ULC’s capability were specified. The law should facilitate the formation of the ULC in accordance with approved long-term plans, since it provides that if the ULC council refuses to accept the adhesion of another local community on its initiative to the ULC, the Cabinet of Ministers of Ukraine may revoke the resolution to recognize such community as capable;

− The Law of Ukraine “On amendments to certain legislative acts of Ukraine on peculiarities of the voluntary consolidation of local communities located at the territories of the adjacent areas”[[8]](#footnote-8) was adopted. The law introduced a mechanism for the creation of ULC, which included local communities of neighboring administrative districts and the possibility of creating ULC, the center of which is a city of region significance, the procedure for the first local elections in such ULCs is determined;

− The Law of Ukraine “On amendments to certain laws of Ukraine on the status of the village, settlement head” [[9]](#footnote-9) was adopted. The law has improved the functioning of the institute of the head in ULC, the legal status of the head has been specified, his powers and forms of subordination and accountability are defined against the community and the local council of the corresponding ULC. The law defined the notion of the head district by introducing amendments to the Law of Ukraine “On local self-government”; the Law of Ukraine “On amendments to certain laws of Ukraine on acquiring the powers of village, settlement heads and city mayors”[[10]](#footnote-10), was adopted amending the Law of Ukraine “On local self-government” and “On local elections” concerning the regulation of the issue of the acquiring powers of the village, settlement head, and city mayor;

− The Cabinet of Ministers of Ukraine adopted a resolution[[11]](#footnote-11) on the system of remuneration of officials of local self-government bodies. The resolution provides for: significant increase of official salaries of local self-government officials, it is coordinated with official salaries of civil servants; renewal of allowances in village, settlement councils and their executive bodies for high achievements in labor; ordering wages in village, settlement councils and their executive bodies representing the ULC; clarification of the order of bonuses, the establishment of allowances;

− The Cabinet of Ministers of Ukraine adopted the order “On approval of the list of capable united local communities, in which the first elections of deputies of village, settlement, city council and corresponding village, settlement head, city mayor took place in 2016[[12]](#footnote-12).” The Government approved a list of capable united local communities for the regulatory and legal support for the transition to direct interbudget relations with the State Budget of Ukraine of the united communities, in which the first local elections took place in 2016;

− On June 6, 2017, the Law of Ukraine “On amendments to the law of Ukraine “On the state budget of Ukraine for 2017” (regarding provision of financing of local elections)”[[13]](#footnote-13), which regulates the issues of financial provision of local elections, including the first local elections in united local communities, was adopted;

− On February 9, 2017, the Verkhovna Rada of Ukraine adopted the Law “On service in local self-government bodies”. The law introduces fundamentally new principles of service in local self-government bodies, creates legal grounds for: regulation of the status of a local self-government body official; increase of prestige and provision of equal access to service in local self-government bodies; promotion of career growth; new model of salary payment; implementation of mechanisms for preventing corruption; rise in level of social and financial protection of employees, etc.

Measures have been taken to improve the institutional support for decentralization reform too. In particular, the Central Office of Reforms is established as a permanent advisory body of the Cabinet of Ministers of Ukraine in order to ensure organization and coordination of implementation of reforms at an adequate level, in particular, regarding the planning of appropriate measures, monitoring and analysis of the status of their implementation[[14]](#footnote-14).

The Central Office of Reforms will interact with regional offices and field offices for decentralization support in education, health care, territorial planning, culture, social protection and other areas. In each region, Local self-government development centers are established, which will coordinate the implementation of the decentralization reform at the regional level.

The opening of the Central Office and regional centers takes place within the framework of the implementation of the Program on extension of rights and opportunities for Ukraine at the local level, accountability and development of “U-LEAD with Europe” funded by the EU and some European countries. At the end of 2016, the Association of United Local Communities was established, its tasks were to co-operate with executive authorities at the local and national level, advocating the interests of the members of the Association and providing them with services, partnerships and uniting efforts with all parties concerned. As of April 2017, the Association of United Local Communities has 62 local self-government bodies from 20 regions.

The above information allows stating rather dynamic process of forming the united local communities in Ukraine and, in 2017 significant steps were taken to improve the legislative and regulatory support of the creation and development of ULC.

At the same time, there are a number of unresolved problems, both strategic and operational, posing the risks for successful further reform implementation. In particular, we should note the following problematic issues:

1) The development of long-term plans for the formation of the territories of district communities has not been completed, the “post factum” changes are constantly made in the ULCs that have gone through the consolidation procedure, and want to hold the first local elections and receive additional financial resources and administrative powers.

2) It is necessary to develop the issue of continuous provision of state financial support for voluntary consolidation of territorial communities.

3) Generally, the process of establishment of united local communities has no support, and sometimes encounters resistance from district administrations, local councils and local elites.

4) The issue of optimal distribution of powers between local self-government bodies and executive authorities is not regulated in general, and, in particular, the distribution of functions and powers between local councils of ULC and district administrations and district councils at the territory of which ULCs are established.

5) There is no proper staff assistance of local self-government bodies of the united local communities, lack of qualification of local self-government officials to perform new functions.

6) It is necessary to improve the issue of implementing mechanisms for monitoring legitimacy of decisions of local self-government bodies and the quality of provision of administrative and social services to the public.

Further successful implementation of the reform of the local power organization and local self-government on the basis of decentralization requires further work on improving the legislative and regulatory support of reform. In particular, it is necessary to:

• Resume work on the draft law on amendments on decentralization to the Constitution of Ukraine, which should improve constitutional basis for the functioning of a new system of local power organization and the system of administrative and territorial structure of the state;

• Adopt the basic law “On the administrative and territorial structure of Ukraine”, which will define the principles of state policy in this area, the construction of a new administrative and territorial structure, unified the requirements and criteria for administrative and territorial units of all levels, clear procedures for the formation and liquidation of administrative and territorial units, the procedure for setting and changing their boundaries, etc .;

• Prepare and adopt a new version of the Law of Ukraine “On Local Self-Government in Ukraine”, improving the support of functioning of complete local self-government at various levels of administration, redistribution of powers in the system of local self-government bodies and between local self-government bodies and state bodies of executive power;

• Adopt the law “On local referendum”, since the legal mechanism for conducting a local referendum being the form of solving local issues by direct expression of will of the local community was eliminated with the adoption of the Law of Ukraine “On All-Ukrainian Referendum” in 2012;

• Amend the Law “On Cooperation of local communities” on the introduction of the procedure for the adhesion of local communities to existing cooperation agreements;

Summarizing the above mentioned, it is worth noting that the reformation of local self-government opens significant prospects for ensuring its ability to solve local life issues independently, in particular, increase the role of citizens, their influence on the process of adoption and implementation of decisions on ensuring the conditions for social and economic development of society. The reform carried out will lead to further democratization of social relations, because it involves not separation of the country, but creates opportunities for the development of the whole state space based on the priority of powers of the local communities as a source of municipal, independent power of the state authorities, finally, it will give an opportunity to conduct democratization from the bottom up.

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3. On immediate measures on development of local self-government in Ukraine for 2017: The Decree of the President of Ukraine on 07.12.2016 under № 545/2016 /Official web-site of the Verkhovna Rada of Ukraine [Electronic source]. – Information source: http://zakon3.rada.gov.ua/laws/show/545/2016. [↑](#footnote-ref-3)
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6. On amendments to the methodology for the formation of capable local communities: the Resolution of the Cabinet of Ministers of Ukraine on September 8, 2016 under № 601 / Governmental web-site [Electronic source]. – Information source: http://www.kmu.gov.ua/control/uk/cardnpd?docid=249308591. [↑](#footnote-ref-6)
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8. On amendments to certain laws of Ukraine on peculiarities of voluntary consolidation of local communities located at the territories of the adjacent areas: the law of Ukraine on 14.03.2017 under № 1923-VIII /Official web-site of the Verkhovna Rada of Ukraine [Electronic source]. – Information source: http://zakon2.rada.gov.ua/laws/show/1923-19 [↑](#footnote-ref-8)
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10. On amendments to certain laws of Ukraine on acquiring the powers of village, settlement heads and city mayors: the law of Ukraine on 09.02.2017 under № 1850-VIII / Official web-site of the Verkhovna Rada of Ukraine [Electronic source]. – Information source: http://zakon2.rada.gov.ua/laws/show/1850-19 [↑](#footnote-ref-10)
11. On amendments to the resolution of the Cabinet of Ministers of Ukraine on March 9, 2006 under № 268 and recognition of certain resolutions of the Cabinet of Ministers of Ukraine as unvalid: the resolution of the Cabinet of Ministers of Ukraine on May 24, 2017 under № 353 / Governmental web-site [Electronic source]. – Information source: http://www.kmu.gov.ua/control/uk/cardnpd?docid=250014893. [↑](#footnote-ref-11)
12. On approval of the list of capable united local communities, in which the first elections of deputies of village, settlement, city council and corresponding village, settlement head, city mayor took place in 2016: the order of the Cabinet of Ministers of Ukraine on May 24, 2017 under № 348-р /Governmental web-site [Electronic source]. – Information source: http://www.kmu.gov.ua/control/uk/cardnpd?docid=250014874 [↑](#footnote-ref-12)
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