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REFORM OF THE ADMINISTRATIVE-TERRITORIAL STRUCTURE OF THE SUBREGIONAL LEVEL (DISTRICTS)

Abstract. The article deals with the final line of decentralization and as a confirmation of this is the approval of 24 long-term plans of regions that cover 100 % of their territory. The prospect of approaching the completion of the main stage of the reform is shown. It is noted that long-term plans will be the basis of the new administrative-territorial structure of Ukraine at the basic level. It is established that today's event is a significant achievement and result of a long process of reform of the Ministry of Community Development and Territories of the Government of Ukraine support of all developers of long-term plans, participants in consultations and discussions to the professional community, thanks to clear work and while adhering to the planned schedule of legislative support for the completion of the reform of local self-government and territorial organization of power.

It is proved that the next step in the formation of a new subregional level is the introduction and adoption by the Parliament of a draft act on the liquidation and formation of new districts. But the main task of the new districts is not to provide municipal services, but effective public administration on the territory. Thus, when approving the territories of territorial communities and creating new districts, we can talk about the completion of the main stage of the reform of the administrative-territorial structure. Also, after the approval of the territorial structure at the level of communities and districts, it is planned to amend or revise the Laws of Ukraine *On Local Self-Government in Ukraine* and *On Local State Administrations* to delineate powers between authorities. Besides, a bill on the principles of the administrative-territorial organization will be submitted to the Parliament, which will determine the procedure for making changes to the administrative system in the future.

Keywords: decentralization, reform, local self-government, subregional level.

РЕФОРМУВАННЯ АДМІНІСТРАТИВНО-ТЕРИТОРІАЛЬНОГО УСТРОЮ СУБРЕГІОНАЛЬНОГО РІВНЯ (РАЙОНІВ)

Анотація. Розкрито фінішну пряму децентралізації та як підтвердження цього є затвердження 24 перспективних планів областей, які покривають 100 % їх території. Показано перспективу наближення до завершення основних етапів реформи. Зазначено, що перспективні плани стануть основою нового адміністративно-територіального устрою України базового рівня. Встановлено, що сьогоднішньою подією є значний здобуток та результат тривалого процесу реформи Міністерства розвитку громад і територій уряду України підтримки всіх розробників перспективних планів, учасників консультацій та обговорень у професійній спільноті, завдяки чіткій роботі та наразі дотримування запланованого графіка законодавчого забезпечення щодо завершення реформування місцевого самоврядування та територіальної організації влади.

Обґрунтовано, що на черзі формування нового субрегіонального рівня, тобто внесення на розгляд та ухвалення Парламентом проекту акта про ліквідацію та створення нових районів. Але головне завдання нових районів — це не надання муніципальних послуг, а ефективне державне управління на території. Таким чином, при затвердженні територій територіальних громад і створенні нових районів можна говорити про завершення основного етапу реформи адміністративно-територіального устрою. Також після затвердження територіального устрою на рівні громад і районів планується внесення змін або ж нові редакції Закону України “Про місцеве самоврядування в Україні” та “Про місцеві державні адміністрації”, щоб чітко розмежувати повноваження між органами влади. Крім цього, буде внесено до Парламенту проект закону про засади адміністративно-територіального устрою, яким визначатиметься порядок внесення змін до адмінтерустрою у майбутньому.

Ключові слова: децентралізація, реформування, місцеве самоврядування, субрегіональний рівень.

РЕФОРМИРОВАНИЕ АДМИНИСТРАТИВНО-ТЕРРИТОРИАЛЬНОГО УСТРОЙСТВА СУБРЕГИОНАЛЬНОГО УРОВНЯ (РАЙОНОВ)

Аннотация. Раскрыта финишная прямая децентрализации и как подтверждение этого является утверждение 24 перспективных планов областей, которые покрывают 100 % их территории. Показана перспектива приближения к завершению основного этапа реформы. Отмечено, что перспективные планы станут основой нового административно-территориального устройства Украины базового уровня. Установлено, что сегодняшнее событие является значительным достижением и результатом длительного процесса реформы Министерства развития общин и территорий правительства Украины поддержки всех разработчиков перспективных планов, участников консультаций и обсуждений в профессиональном сообществе, благодаря четкой работе и пока соблюдению запланированного графика законодательного обеспечения по завершению реформирования местного самоуправления и территориальной организации власти.

Обосновано, что на очереди формирование нового субрегионального уровня, то есть внесение на рассмотрение и принятие парламентом проекта акта о ликвидации и создании новых районов. Но главная задача новых районов — это не предоставление муниципальных услуг, а эффективное государственное управление на территории. Таким образом, при утверждении территорий территориальных общин и создание новых районов можно говорить о завершении основного этапа реформы административно-территориального устройства. Также после утверждения территориального устройства на уровне общин и районов планируется внесение изменений или новые редакции Закона Украины “О местном самоуправлении в Украине” и “О местных государственных администрациях”, чтобы четко разграничить полномочия между органами власти. Кроме того, будет внесен в парламент проект закона о принципах административно-территориального устройства, которым будет определяться порядок внесения изменений в админтер-устройства в будущем.

Ключевые слова: децентрализация, реформирование, местное самоуправление, субрегиональный уровень.

Problem statement. Ukraine has laid the constitutional foundations of local self-government, ratified the European Charter of Local Self-Government, and adopted many basic regulations that create the legal and financial bases for the activities of local self-government bodies.

However, since the adoption of the Constitution of Ukraine and basic regulations on local self-government, the development of local self-government has been carried out only at the level of territorial communities of regional cities, as the vast majority of territorial communities due to their excessive

fragmentation and extremely weak material and financial base powers of local governments [1–6; 3].

The system of local self-government today does not meet the needs of society. The functioning of local governments in the majority of territorial communities does not provide formation and maintenance of a conducive living environment required for the full development of man, his self-realization, protection of his rights, the provision by local authorities, they created institutions and organizations of high quality and accessible administrative, social and other services in the relevant territories.

Analysis of recent researches and publications. The problem of reforming the administrative-territorial system of the subregional level (districts) was considered by domestic scientists and politicians Vitalii Bezgin, Ihor Koliushko, Viacheslav Nehoda, Oleksii Chernyshov, and others [2; 3; 4; 6].

The purpose of the article is to study reforming the administrative-territorial structure of the subregional level (district clusters).

Presentation of the main research material. Analysis of information sources showed that there are 490 districts in Ukraine only. So, the same number of district councils and district state administrations. The functionality of all of them is the same, but the load is very different due to the different size and population of the areas. For example, in Ukraine there are 6 districts with a population of up to 10 K people, in 9 districts live more than 100 K people, in 3 districts more than 150 K. With the same functions, the amount of work is different. Also, 26 districts are already fully covered

by affluent communities, 173 districts are 50% or more covered by communities. The vast majority of powers have been transferred to communities from district-level authorities. That is, the system is not balanced. Therefore, it is time to address the issue of government reorganization at the district level. And this must be done before the next local elections, which are scheduled for October 2020 [2, 5].

The researchers note that the goal of the reform of local self-government and territorial organization of power is to form an effective local government and an optimal system of territorial organization of power to create and maintain a full-fledged living environment for citizens, provide high-quality and affordable public services, establish institutions of direct democracy, meet the interests of citizens in all spheres of life in the relevant territory, coordinate the interests of the state and amalgamated territorial communities. The goal is to implement the Ministry of Communities and Territories Development on the draft format of future districts: their number and composition in each region and the Autonomous Republic of Crimea, which sent for approval to central executive bodies, regional administrations and associations of local governments [4].

The agency noted that the maps of future districts were prepared based on proposals from regional state administrations and long consultations with associations and the expert community, and stressed that this is only the first project document that is still subject to change during approvals and preliminary discussions at the Government level, before its approval.

On June 12, at an extraordinary meeting, the Government supported the draft resolution of the Verkhovna Rada of Ukraine on the formation and liquidation of districts in all regions of Ukraine, as well as the draft resolution on the formation and liquidation of districts in the Autonomous Republic of Crimea.

On July 1, the Committee on the Organization of State Power, Local Self-Government, Regional Development and Urban Planning recommended to the Verkhovna Rada to adopt the Draft Resolution No. 3650 on the formation and liquidation of districts. The final decision on the liquidation and formation of new districts of Ukraine within the framework of the reform of local self-government and territorial organization of power will be made by the Verkhovna Rada.

On July 17, 2020, the Information Department of the Office of the Verkhovna Rada of Ukraine announced the adoption of the Formation and Liquidation of Districts Resolution. The corresponding decision was supported by 238 people's deputies at minimum necessary 226 people's deputies. Thus, in Ukraine, the existing 490 districts are liquidated and 136 new districts are formed [5].

It is envisaged that the boundaries of districts shall be established along the outer border of the territories of rural, settlement, and urban territorial communities that are part of the respective district, and elections of deputies to district councils in liquidated districts shall not be held.

According to the document, the liquidation and formation of districts in the temporarily occupied territories of

the Autonomous Republic of Crimea, Donetsk and Luhansk regions will be carried out after the return of these territories to the general jurisdiction of Ukraine (restoration of the territorial integrity of Ukraine and restoration of the powers of state authorities on the relevant territory following the procedure established by the legislation of Ukraine).

There were several options for future districts, both from experts and from regional state administrations. All of them were widely discussed this year and the last one. Following the instructions of the Cabinet of Ministers of Ukraine (CMU), the regional state administrations submitted their proposals based on the Methodological Recommendations on the Criteria for the Formation of Administrative-Territorial Units of the Subregional (District) Level. The Recommendations set a lower limit for the population in the future district: 150 thousand inhabitants. This criterion, in turn, is based on the Nomenclature of Territorial Units NUTS 3 of the European Union [3, 4].

One of the reasons is the huge disparities in the parameters of existing districts, which do not meet modern requirements for the organization of effective local government. For comparison, Polissia (Kyiv Oblast) is the smallest district in Ukraine in terms of the population where 5,622 people live here (as of 01.01.2019), Kharkiv is the largest district with a population of 182,100 (as of 01.02.2016).

There are 490 districts in Ukraine. With the reform of local self-government and territorial organization of power, 26 districts are fully covered by amalgamated territorial communities,

at the level of which almost all powers of district state administrations and district councils have been transferred within the framework of decentralization of power. The territories of 164 districts are covered by ATC from 50% to 99%. This means that the RSAs of these districts exercise their powers in less than half of their territory. And only in 75 districts (16%), no ATC has been formed. The RSA institute is fully operational in 75 districts only.

The Ministry of Regional Development draws attention to the fact that districts are artificial entities for the organization on their territory, first of all, of the state executive power, and the key here is maximum efficiency with minimum costs for its maintenance. The services that citizens used to receive in the district centres will be provided at the level closest to the people: the community level, as is already the case today in the amalgamated territorial communities, in the Centres for the Provision of Administrative Services.

‘The formation of new districts will ensure compliance of the system of administrative-territorial organization of the district level with modern requirements and European standards. It will also help to determine a reasonable territorial basis for the activities of executive bodies and local governments,’ the Minister of Community Development and Territories of Ukraine Oleksii Chernyshov said during a meeting of the Committee [6].

‘We will recommend the parliament to adopt the wording of the resolution, which has been finalized in the Committee. This is not because there are any conflicts or misunderstandings with the Ministry. We realized that

due to lack of time certain things will have to be decided at the level of the Verkhovna Rada, but with the involvement of specialists from the Ministry of Regional Development,’ Vitalii Bezgin, People’s Deputy of Ukraine, Chairman of the Subcommittee on Administrative and Territorial Structure commented [2].

As reported, the next local elections in October 2020 are to be held on a new territorial basis of communities and districts. After the local elections, all communities will be released from the influence of the district (district authorities). The district will have its powers and sources of budget, and they will not intersect, as we have in the current system, with the powers and resources of communities. All communities will be equal in status and will have direct inter-budgetary relations with the state. All communities will have the authority and resources that cities of regional importance now have. The main function of districts will be the coordination of territorial subdivisions of executive bodies [4, 6].

The Chairman of the Centre for Political and Legal Reforms, a participant in the Save Decentralization: District Enlargement and Local Elections 2020 expert discussion Ihor Koliushko recalled the main arguments for the need to reform districts.

‘First, the districts should be enlarged in terms of convenience and efficiency of the organization of executive bodies. Life has long forced the executive branch to consolidate. But the process was chaotic. And now often people just do not understand where to go, under whose jurisdiction they are. Even the officials themselves do

not quite understand this. To stop all this, a new subregional (district) level is needed.

Second, reform needs to be done to protect local self-government in communities. For me, it is paradoxical when some experts claim that enlarged areas will threaten communities. The opposite is true. To protect local self-government in communities, the district level must be raised, removed from communities. If there are one or two communities in the district, they will inevitably conflict with the district state administrations.

Third, today 490 district councils have a lot of common property on their balance sheets. If we want to use this property in the interests of communities, the best way is to liquidate the districts, because the newly enlarged districts will simply not need most of this property and it will pass to the communities.

And one more thing: the country needs a new administrative-territorial system. Properly organized, it stimulates the development of both the political system and culture, as well as economic and investment development.

If the district reforms do not take place within the last two parliamentary weeks, we will lose at least five years of development' [3].

No village, town, or city budgets will depend on the district anymore. All 1,470 territorial communities, the boundaries of which were recently approved by the Government, will switch to direct inter-budgetary relations with the state budget. This also follows from the *On Amendments to the Budget Code of Ukraine to Align the Provisions*

of Budget Legislation in Connection with the Completion of Administrative-Territorial Reform bill No. 3614, which was registered in the Parliament. The bill is one of the legal document packages for the reform of local self-government and territorial organization of power [6].

'There is no more interference of the district in the budgets of communities. In the amalgamated territorial communities, some people have probably forgotten what it is like to ask for money in the district every time because after the unification they switched to direct inter-budgetary relations with the state budget. And those communities that are still out of reform, and there are about 6,500 of them, can only dream of such a thing. And the dreams still come true, given that all 1,470 amalgamated territorial communities, the boundaries of which were recently approved by the Government, will be in direct inter-budgetary relations with the state budget from January 2021. Rumours that now all local budgets will be 'driven under the district' again are from the evil one,' the Deputy Minister of Community and Territorial Development Viacheslav Nehoda commented on "Decentralization" [4].

Based on the bill, revenues and expenditures are differentiated between the budgets of districts and territorial communities. It is proposed to exclude district budgets from the system of horizontal equalization. That is, district budgets will not receive a basic subsidy and will not be in direct inter-budgetary relations with the state budget.

Formation of district budgets will be carried out at the expense of:

Own income:

- Income tax of enterprises and financial institutions of communal property, the founder of which is the district council;

- Fees for licenses and certificates of economic activity issued by the RSA;

- Rent for the use of communally owned property, the founder of which is the district council;

- Rent for water bodies provided by RSA and district councils (before delimitation between communities), and

- Other income.

Grants and subventions that can be sent from other budgets.

The budgets of 1,470 amalgamated territorial communities, according to the current budget and tax legislation, will be in direct inter-budgetary relations with the state budget. Among their main revenues:

- 60 % Income Tax;

- Local taxes and fees;

- Rent payments;

- Excise Tax;

- Income from the use of municipal property;

- Fee for administrative services provision; and

- Transfers (grants, subventions), etc.

Thus, all 1,470 amalgamated territorial communities will be independent: the district authorities will not have any administrative and financial influence on them.

The formation of new districts was preceded by the formation of affluent communities, such as those that can address issues of local importance and provide affordable and quality services for the population. Most of the powers have been transferred and will be addi-

tionally transferred to the level of communities and services that community residents used to receive in district centres, now receive (or will receive) in their community: either through the Centre for the Provision Administrative Services (CPAS), or community administration services carries out through remote workplaces of the CPAS administrators, and where such centres have not yet been established; communities use the instrument of inter-municipal cooperation signing a cooperation agreement with the neighbouring community, where the CPAS already operates. And even today in the practice of community activities as the mobile CPAS is also a remote workplace, but which can move between settlements and receive citizens and provide services in any community. Thus, residents of communities will not need to go to district centres for administrative services [1].

Conclusions. Therefore, the new administrative structure of the sub-regional cluster level will allow the state to establish more efficient work of the state executive power at the local level. As reported, on June 12, the Cabinet of Ministers at a meeting agreed on draft resolutions of the Verkhovna Rada on the formation and liquidation of districts, according to which it was proposed to eliminate the existing 490 districts and create 129 new districts. However, the final version of Resolution No. 3650 On the Formation and Liquidation of Districts, additionally agreed by the relevant committee, provides for the formation of 136 new districts.

According to the Resolution, borders of districts are established on the

external border of territories of rural, settlement, city territorial communities which are a part of the corresponding district. The Central Election Commission is instructed to ensure the formation of constituencies and local elections following the administrative-territorial structure.

The Resolution shall enter into force on the day following the day of its publication, except for the items on liquidation and formation of districts in the temporarily occupied territories of the Autonomous Republic of Crimea and the cities of Sevastopol, Donetsk and Luhansk oblasts, which shall enter into force upon Ukraine and restoration of powers of public authorities of Ukraine in the relevant territory).

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