

**Reply Statement of the Delegation of Ukraine
at the Working Session 1 “Democratic institutions, including: democracy at the
national, regional and local levels, democratic elections” of
2018 Human Dimension Implementation Meeting**

Mr. Moderator,

Distinguished participants,

At the outset let me let me thank the representatives of the civil society for their recommendations that we took note of.

Ukraine is implementing a new regional policy and decentralization and territorial consolidation reform according to the EU standarts.

In order to ensure proper democratic governance, increase the living standards of Ukrainian citizens, ensure their constitutional rights and freedoms, since the end of 2014, Ukraine has introduced a new state regional policy and reform of local self-government and the territorial organization of power in Ukraine, better known as decentralization reform, based on principles, standards and best practices of the European Union, OSCE and Council of Europe. The key task is optimal distribution of powers between local self-government in order to improve their capacity to deliver high quality local public services and to engage the population in its democratic functioning.

As of today, we have achieved significant progress in such reforms despite the challenges posed by Russia's annexation of the Crimea and prolonged aggression and conflict in Eastern Ukraine.

According to the opinion of the Council of Europe experts, Ukraine has the greatest progress in the sphere of decentralization and territorial consolidation among the countries of Europe, which are now implementing similar reforms, in particular:

- important legislation has been developed, as a result of which we have well-established legal and institutional frameworks in accordance with the provisions of the European Charter of Local Self-Government (the Law "On Cooperation of Territorial Communities“, Law on State Regional Policy, on Fiscal Decentralization, on a Voluntary Amalgamation of Territorial Communities).
- the European model of regional development management was introduced: strategic planning, monitoring of social and economic development of the regions and the system of institutional support, new financial instruments of regional development, mobilization and concentration financial resources on the priorities determined by the state and regional strategies;
- during 2015-2018, in order to increase the ability of local authorities to perform their duties to citizens 831 new amalgamated communities have been created, which include more than 3800 former communities with 7 mln inhabitants or approximately 20 % of total population of Ukraine and their number increases weekly.
- The first local democratic elections have already taken place in 705 newly amalgamated communities. The communities elected their own respected local authorities, which have competences, sufficient resources and responsibility.
- According to the international observers Ukraine's local elections were competitive and well organized overall, and the campaign generally showed respect for the democratic process.
- Currently, 126 new communities are waiting for the Central Election Commission's decision to hold the first elections.

- The Government of Ukraine offered new financial instruments to the new amalgamated communities in order to help them to become more efficient, to develop infrastructure and deliver quality services to people. For example, a newly formed municipality is eligible for a benefit from the State Regional Development Fund and a special grant for developing local infrastructure (subsidies), sectoral support of the EU.
- For the recent 4 years, state financial support for amalgamated communities has increased 39 times.
- As a result of fiscal decentralization, local budget revenues have increased significantly, approximately by 35-50 % each year, which allows communities more effectively implement the tasks of local development. (and during 2018-January-August - by 23.1% in comparison with the same period last year)
- In order to ensure the representation of the interests of residents in the united communities, since 2017, the new Starosta institute, as elected official of local self-government, was introduced into the system of local self-government.

As a result of the new regional policy since 2016, people began to feel positive changes in the regions. During 2016-2018, there is a growth of regional economics, which is confirmed by the positive dynamics of the basic socio-economic indicators.

We do believe that our reforms, in particular decentralization and mentioned democratic process are the only way to maintain and develop effective, transparent and accountable democratic institutions, responsive to the needs of all.

At the same time, the ongoing aggression against Ukraine has led to systematic violations of human rights and citizens, living in uncontrolled territory (Donbas and Crimea), who are artificially removed from democratic processes and from the creation of a capable local government, the use of regional and local development tools and state support that is currently provided to communities all over Ukraine, and also impedes the realization of the rights and freedoms of internally displaced persons.

We would like to reiterate that the Autonomous Republic of Crimea, city of Sevastopol and certain areas of Donetsk and Luhansk regions of Ukraine are occupied by Russia. Along with the attempts of the Russian Federation to hold illegal Russia's presidential elections in the occupied territories, that was a reason of a ban of Ukrainian authorities to organize such elections in the Russian diplomatic and consular missions in Ukraine.

Ukraine notified Russia on this in a due course.

I thank you.