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# ADMINISTRATIVE-TERRITORIAL REFORM: RESULTS OF INTEGRATION OF THE CONSOLIDATED TERRITORIAL COMMUNITIES (CTC) IN THE KHMELNYTSKY REGION

The article reviews the changes in administrative-territorial division of the Khmelnytsky region that occurred due to the reform of the territorial organization of power in Ukraine. The authors have given an assessment of the methodic of formation of the territorial communities capable for social and economic development, analyzed the definition of the territorial community capable for social and economic development, and defined the requirements for creation of the necessary infrastructure for community development. Consolidated territorial communities, created in the Khmelnytsky region, were divided into groups in terms of their economic capacity. The article also presents specific achievements of the consolidated territorial communities over the year 2016.

The authors pointed out the least and most dependent communities on the state budget, separately distinguishing the communities functioning as donors of the state budget, and analyzed the communities in terms of their own budget profits per capita. It was defined that creation of the consolidated territorial communities in most cases resulted in duplication of budget revenues per capita. However, economic viability of the newly created consolidated territorial communities is quite irregular: communities that have a large territory with a small number of people and are situated in remote areas of the region have a considerably lower own income per capita.

Key words: territorial organization of power, administrative-territorial reform, local government, territorial community, Khmelnytsky region.

## Анатолій Мельничук, Тетяна Мельник. АДМІНІСТРАТИВНО-ТЕРИТОРІАЛЬНА РЕФОРМА: ПІДСУМКИ ОБ'ЄДНАННЯ ОТГ ХМЕЛЬНИЧЧИНИ

У статті проаналізовано зміни адміністративно-територіального устрою Хмельницької області у зв'язку з реформою територіальної організації влади в Україні. Дано оцінку методиці формування спроможних територіальних громад, проаналізовано визначення спроможної територіальної громади, визначено вимоги до формування необхідної інфраструктури громад. Виділено групи громад Хмельниччини за рівнем спроможності та представлено конкретні досягнення у розвитку громал.

*Ключові слова:* територіальна організація влади, адміністративно-територіальна реформа, місцеве самоврядування, територіальна громада, Хмельницька область.

## Анатолий Мельничук, Татьяна Мельник. АДМИНИСТРАТИВНО-ТЕРРИТОРИАЛЬНАЯ РЕФОРМА: ИТОГИ ОБЪЕДИНЕНИЯ ОТО ХМЕЛЬНИТЧИНЫ

В статье проанализированы изменения административно-территориального устройства Хмельницкой области в связи с реформой территориальной организации власти в Украине. Дана оценка методике формирования способных к социально-экономическому развитию территориальных общин, проанализировано определение функционально способной к социально-экономическому развитию территориальной общины, определены требования к формированию необходимой инфраструктуры для развития общин. Выделены группы общин Хмельницкой области по уровню способности к социально-экономическому развитию и представлены конкретные достижения развития сформированных общин.

**Ключевые слова:** территориальная организация власти, административно-территориальная реформа, местное самоуправление, территориальная община, Хмельницкая область.

Introduction. Relevance of the problem. The relevance of reformation of the administrative-territorial system of Ukraine had been maturing too long ago, because the territorial system of our country was formed in the absence of the proper methodology and was adapted to the Soviet command-administrative system of governance. At both legislative and practical levels executive system is built top-down, it means that central authorities dominate over the local communities. Thus, such administrative-territorial system impedes the implementation of effective regional policy and democratic transformations in the state. A process of this reform is not only a step for a solution of problems of the elementary administrative units, but also is one of the key tasks for further Ukraine's integration into the European Union.

Objectives and goals of the article. The aim of this article is to sum up the main achievements of inte-

gration of the CTC in the Khmelnitskyi region in last year, analyze financial capacities of the communities and their realization.

Results and discussion. The reform of the administrative-territorial system that was implemented in Ukraine took place in 2014 with introduction of the reform of decentralization, which main task was to achieve the optimal division of powers between local authorities and government executive bodies on basis of subsidiarity and creation of the competent territorial communities. In contemporary investigations of the administrative law, a decentralization is determined as such method of organization of public power when the administrative-territorial units or other territorial formations are entitled freely to resolve issues of the local importance and realize their own tasks within the framework of legislation and with responsibility of the authorized bodies and the

officials, and interference in their activity can be realized only with the purpose of monitoring legality in the cases provided for by the law and in the corresponding forms [1]. When there is a model of organization of power with decentralization, the body of high level can't interfere with the activity of the body of lower level, can't realize managerial enforcement relative to the low body and can't give orders and arrangements.

Decentralization is analyzable not only from the point of view of the territorial organization of the country but also with relation to destination, object and functions of the public administration. The territorial decentralization means the creation of public administration bodies that will put into practice a government in the administrative-territorial units without assistance and independently of the governmental authorities, not being in their hierarchical system and subjection, in other words these bodies are the bodies of local and regional authorities [1].

The reform assumes creation of a three-level system: community, district and region. At the level of community there are only local authorities, that is to say the head of the town/settlement/village or the head of community, town/settlement/village council, or the council of communities and the executive committee of this council; these are the three bodies which exist at the level of community.

A basic unit of the administrative-territorial system of Ukraine is a territorial community. The capable territorial community is a community where the local sources of the budget filling, infrastructure and staff resources are sufficient for resolution by the local authorities of the issues of local importance foreseen by legislation, and when they are for the sake of population of the community.

The capable territorial communities are the territorial communities of villages (settlements, towns), that as a result of voluntary integration with the help of corresponding local authorities to provide with the appropriate level of rendering of services, in particular in the area of education, culture, health protection, social protection, housing and communal services, taking into consideration staff resources, financial provision and development of infrastructure of the respective administrative-territorial unit [1,3].

According to the European Charter of local government which is a part of the Ukrainian legislation, local government is "a right and a competence of the local authorities to realize regulation and government of the considerable part of public affairs which belong to their jurisdiction, in the interests of local population» [1].

Today the majority of territorial communities of Ukraine that have a right to resolve the issues of local importance, are not capable to do this because of lack of own funds, retrogress or lack of infrastructure (necessary buildings, constructions, roads, etc.), and also because of lack of skilled specialists. That is why a considerable part of the problems of local importance are unresolved: the objects of the communal property (schools, hospitals, etc.), the territory of town (streets), accomplishment of territories (night-time illumination etc.) are maintained at an inadequate level.

Objective of the reform of local government is to provide this government independently with competence by the own resources with aim to resolve issues of local importance. It is about endowment for the territorial communities more resources and about their domestic resource mobilization.

The budget of community receives additionally 60% of the income tax. Also, due to the reform, the local councils received additionally a personal land-tax, the rate at which every council determines singly on one's territory. It is planned to transmit all the land of the respective community to the jurisdiction of each council, including the lands that are out of the inhabited localities. The community receives also 5% from the sale of fuel from filling stations, spirits and tobacco goods. Besides, the budget of the local government retains such sources as previously approved local taxes and duties. But even endowment of these resources for the majority of the existent small territorial communities will not provide their competence. That is why the reform of local government, taking into consideration the positive European and our historical experience, involves pooling (extension) of the territorial communities.

The extension of the territorial communities can't be spontaneous, but has its logical limits. The distance from the center of community to the extreme settlement should be such that in an emergency case fire-brigade, ambulance and police patrol could overcome this distance no longer than in 30 minutes.

The formation of capable territorial communities provides first of all the capacity of local authorities to resolve social issues which belong to their competence. Preference is given to economic competence of the newly created administrative-territorial units. The rate of income (calculation) of the capable territorial community, the rate of budget for development, basic grant and reverse grant are accounted. It is important the existence of establishments of budget sphere, which are necessary for realization of a self-government function at the basic level. If communities want to be capable they should be provided with corresponding lodgings, first of all for accommodation of new services.

Minimum requirements for the necessary infrastructure of community:

- Premises for the body of local government of the consolidated territorial community taking into consideration the additional functions of financial management and communal property, town-planning activity, education, health protection, culture, social protection.
- Premises for polyclinic (ambulance station), hospital of the wide line profiling.
- Premises for the territorial center of social protection.
- Premises for the center in providing administration services.
- A separate building for the law enforcement agencies.
- Premises for the governmental authorities (pension fund, local employment authorities and civilian registrar's office).
  - Premises for the fire station.

A matter of determining limits of the new consolidated communities is decided by the governments at the regional level taking into consideration both objective criteria and the opinion of citizens.

The borders of the territory of the competitive territorial community are determined in accordance to the external borders of jurisdiction of councils of the territorial communities that are incorporated into it. The borders of the new territorial community should be determined in accordance to the external borders of jurisdiction of the existent village councils. If such borders are not determined, they are settled on the basis of the typical points of the area, e.g. watersheds, roads, humps, rivers, valleys. The limits of the land tenure can be taken into consideration but they are not deciding [2, 3].

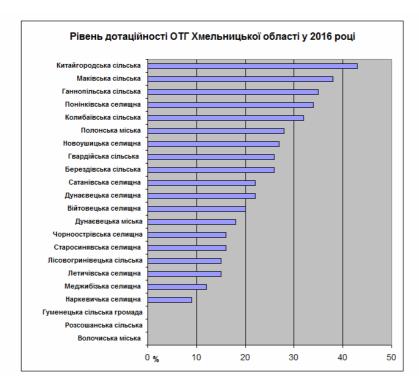
Today the territory of Ukraine contains 366 consolidated territorial communities (CTC) which constitute about 20% of the pre-arranged unions. Khmelnytskyi region continues to occupy a leadership position in terms of the number of communities and their total area. From January, 1, 2016, 22 consolidated territorial communities were created in this region. Elections in four other communities took place on the 18th December, therefore today officially there are 26 CTC in the region that constitute 42% of the village territory, and for the final de-

veloping of this territory it is necessary rather more than 50% of the CTC's reformation. Among communities of the region we distinguished three groups of communities that differ by the financial possibilities: those with a reverse grant (donors); those that don't receive a government grant; and those that received a grant.

In 2016 the communities of Khmelnytskyi region received from the state 216.7 million UAH which is more than financing of a whole region in the previous years.

In total the communities last year spent 60 million UAH to repair roads, 50 million UAH to buy the specialized technique for the proper municipal economies, about 50 million UAH for the energy-saving arrangements.

Rozsoshanska and Humenetska village communities were the less dependent from the state budget end even made withdrawals to the state budget. Volochyska urban community went out to «zero» in the calculation of the inter-budgetary transference. The lowest percentage of the basic subsidy (9%) has Narkevytska settlement community. By more than a third are depended on the state budget Kolibaivska, Gannopilska, Makivska, Kitaigorod village communities and Poninkivska settlement community.



## Level of subsidy of the CTC in Khmelnytskyi region in 2016

Kitaigorod village community Makivska village community Gannopilska village community Poninkivska settlement community Kolibaivska village community Polonska urban community Novoushitska settlement community Gvardiyska village community Berezdivska village community Satanivska settlement community Dunaevetska settlement community Viytovetska settlement community Dunaevetska urban community Chornoostrivska settlement community Starosyniavska settlement community Lisovogrynivetska village community Letychivska village community Medzhybizhka village community Narkevytska settlement community Gumenetska village community Rozsoshanska village community Volochyska urban community

Fig. 1. Level of subsidy of the CTC in Khmelnytskyi region in 2016

As for own profits counting per one resident of such community, the average index of the CTC region in 2016 was 1118 UAH. Index above the average has Rozsoshanska community (2 571 UAH), Gumenetska community (1630 UAH), Narkevytska community (1592 UAH), Volochyska community (1442 UAH), Lisovogrynivetska community (1330 UAH), Letychivska community (1264 UAH), Viytovetska community (1238 UAH), Medzhybizhka community (1255 UAH), Starosyniavska community (1217 UAH) and

Chornoostrivska community (1192 UAH).

Outsiders according to this index are Kitaigorod community (572 UAH), Makivska (637 UAH) and Poninkivska communities (641 UAH).

Creation of the CTC-s allowed to increase twice the own profits of budgets counting per capita of the corresponding territory in most parts of the communities. Thus, for example, the population of Rozsoshanska CTC received counting per capita the income of budget (from its own profits) 2751 UAH (and without the process of

integration this figure could be only 729 UAH).

However, the economic viability of the CTC region is quite irregular. The communities that have a large territory with a small number of people and are situated in remote areas of the region, have a considerably lower own income per capita. With the total increase of own income on average more than twice, in Makivska community this increase constitutes only 1.5. Profits in the Poninkivska community increased almost in 4 times, but its general level is one of the lowest among the communities of the region.

A subvention was destined in the state budget for 2016 for the CTC-s for formation of the infrastructure of communities to the sum of 1.0 milliard UAH. Distribution of this subvention in the CTC-s was done in terms of the area of territory and the number of countrymen (Cabinet of Ministers of Ukraine. Resolution, 16.03.16 № 200 «Some issues related to concession of subvention from the state budget to the local budgets for formation of infrastructure of the consolidated territorial communities»). The greatest volume of subvention for the CTC is given for the largest number of countrymen and the biggest territory. Money from this subvention was given for realization of the local programs of creation, modernization of infrastructure of the consolidated territorial communities and should be directed to new construction, reconstruction, capital repairs of the objects of infrastructure that belong to the communal pattern of ownership (including production of project and urban planning documentation).

The CTC-s of the Khmelnytskyi Region have received from the state budget a subvention for the development of infrastructure of the consolidated territorial communities to the sum of 216 million UAH (this is 21,6% of the general volume of subvention in Ukraine). Novoushitska consolidated territorial community obtained the biggest volume of subvention (22.8 million UAH), while Poninkivska CTC – the lowest (3 million UAH).

The Gannopilska CTC could share the successful example of the use of funds given for the formation of infrastructure of the CTC. In 2016 it realized 22 projects costing in total 13, 193,000 UAH. A sphere of education was determined as a priority direction for investment of that money that gave a possibility to put in order all the main establishments in the community.

Such projects are:

- overhaul repairs (heat insulation of facades) of the Gannopil educational institution of I-III levels in the village of Gannopil;
- overhaul repairs of the Gannopil educational institution "Preschool educational institution secondary school of I-III levels" in the village of Gannopil (repair of heating facilities and heat insulation of the outer walls);
- overhaul repairs (heat insulation of facades) in the Maliy Sknit educational institution of I-III levels in the village Maliy Sknit;
- heat supply of the heater system of the buildings of the Gannopil educational institution, library and village council in the village of Gannopil, was achieved an effective energy-saving with decrease of the specific fuel consumption, reduction of budget outpayments for

the used energy utilities, economy of water resources by using the modern boiler units with a high efficiency factor:

- overhaul repairs of the building № 2 of the Kilikyiv educational institution "Preschool educational institution school of I-III levels" (replacement of the roof, heat insulation of facades, external water-pipe) of the Gannopil village council in the village of Kilikyiv;
- repair work of roads in the villages of Gannopil, Horostok and Velikyi Sknit.

With the aim to supply means of transport and passengers with uninterrupted and unhampered traffic and movement, it was repaired 9775 square meters of the road and also were realized some other projects.

Likewise between the progressive examples we can mention the community of Nova Ushytsia, where was bought the whole complex of engineering and facilities for the municipal economy, and where began the repairs of the center of children's creative work; Dunaevetska community where was bought the garbage disposal station, in partnership with the Czech enterprises and grants from the EU this community initiated the creation of the workshop that occupies with the waste disposal.

Volochyska urban community is one of those that used subvention at 100%, in last year it received 14.367 million UAH for development of infrastructure. This money went to the realization of such projects as the thorough repair works of roads in five inhabited localities which are the "clustered" centers at the periphery; the reinforcement of possibilities of communal services, it was bought a communal technical equipment; it was realized the first phase of construction of the water supply system in the village Ripna to the sum of about 900,000 UAH. In general, the subvention received by this community was distributed in such a way: town -18%, village – 81.9%. This approach to the use of subvention completely meets the affirmed Strategic Plan for Development of Volochyska urban community until 2020, in which the development of rural regions is defined as one of the strategic goals.

But some communities found themselves not ready to deal with the appropriated funds.

Thus, Makivska and Gvardiyska communities could not use money from subvention for the formation of infrastructure of the CTC. And this is enough badly because these communities lost their chance to improve the proper infrastructure, and thereby showed their incapacity to deal singly with the state public funds.

The use of subvention for the development of infrastructure of the CTC by their groups is as follows: the urban CTC-s exploited the resources at 99%, the township CTC-s – at 97%, and the rural communities – only at 87%.

It is also worth noting about the positive steps towards the establishment of the Administrative Service Centers (ASC) in the communities. The signature of the Memorandums of cooperation between the representatives of 14 CTC-s and the company "SKL International" concerning the creation of the CPAC-s in these communities took place January 24<sup>th</sup>, 2017. The total amount of financing constitutes 800,000 €. It became possibe due to the program U-LEAD "The Administrative Service Centers and the increase of public awareness on the local

authorities"; this program is financed by the European Union and its member states – Denmark, Estonia, Germany, Poland and Sweden. Slavutska, Starosyniavska, Chemerovetska, Polonska, Medzhybizhka and Novoushitska consolidated communities were announced the finalists, receiving assistance in the establishment of the ASC-s, .

It is planned that by the end of the year repairs of the equipment of the Administrative Service Centers will be made in these communities , as well as the training of respective specialists and informing of people about the activity of the CPAC-s.

Conclusion: Thus, the process of consolidation of territorial communities should be continued, because it gives a possibility of persistent development of the region and contributes to the urgent solution of vital problems of all the inhabitants. In 2016, the communities of Khmelnytskyi region obtained rather good budget results concerning the increase of their own profits and the effi-

cacy of the use of funds of the state subvention. Also we can see considerable positive changes in the improvement of infrastructural assets in the inhabited localities. Communities that were created on the basis of a town or a big settlement have accumulated more financial resources than the village CTC-s of the provincial regions. Also it should be mentioned that an experience of the CTC in Khmelnytskyi regionshowed, that the stronger is the center of community, the more money was directed to infrastructure needs of the village territories and the common requirement of the community. This experience removes doubts concerning the concentration of resources in the central localities and the decline in the peripheral localities.

On the assumption of the shortening of state subvention in current and following years it becomes important an issue of generating economic growth of the CTCs due to the proper resources.

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