



Decentralization of Power and Challenges of War in Ukraine

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The war in Ukraine caused massive internal and external migration of the population of the border regions.

According to data from the UN Refugee Agency, 1,392,000 forcibly displaced persons were resettled in 2014.

By January 31, 2023, as a result of the full-scale Russian invasion of Ukraine, 3,621,000 forcibly displaced persons had already been registered

in 967 territorial communities, according to the International Organization for Migration.

According to various estimates, more than 1,500 companies have applied for the government's relocation program, of which 510 have already moved their production west from war-torn regions.

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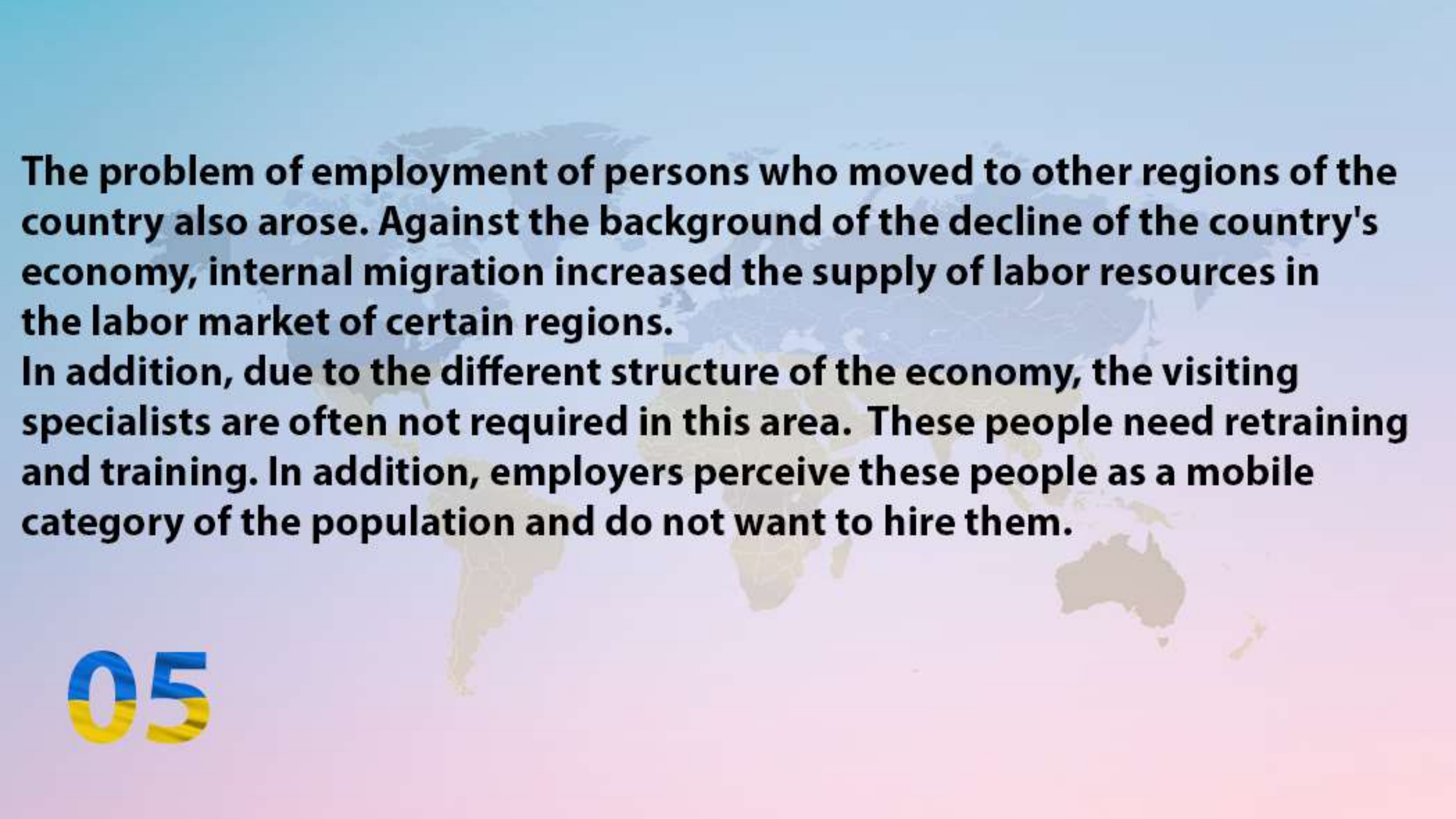
This year, GDP will decrease by 45%, and revenues from the main local own sources (land tax, land rent, etc.) will decrease by 38%. As a result, local budgets changed their structure, becoming more dependent on transfers from the central budget.

In some communities, it is difficult to convene meetings of local councils due to the absence of deputies, and the relationship between the elected authorities and the military administration, which in most cases has established cooperation, is a new reality that needs to be closely monitored.

Since the reform of the decentralization of power took place in Ukraine, a number of important decisions had to be made by the local host communities regarding the reception, accommodation and provision of all necessary things for the first wave of IDPs.

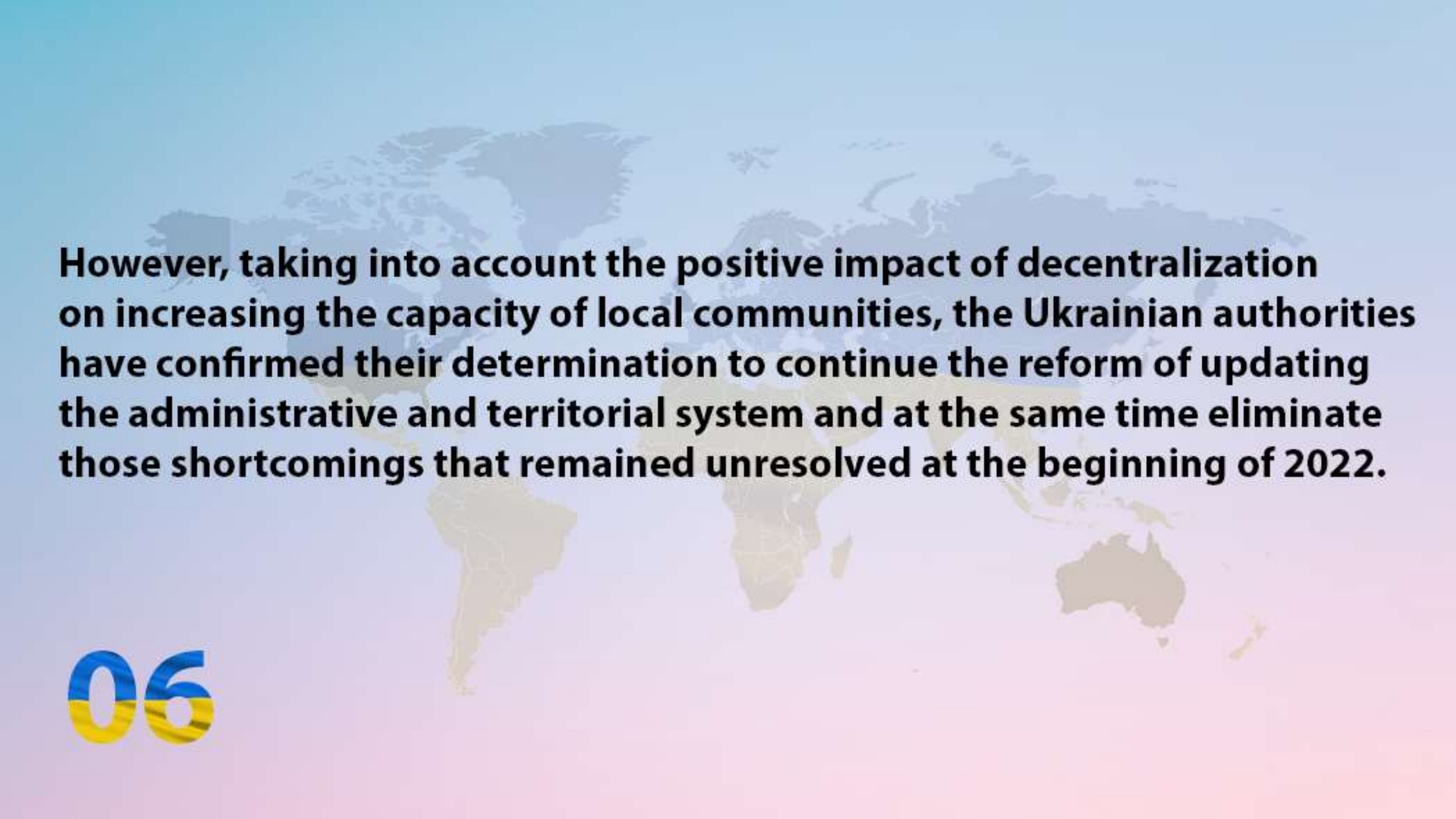
One of the first challenges faced by local self-government bodies was the accommodation of people. They were often accommodated in dormitories of local educational institutions, sanatoriums, children's camps, and educational institutions, which were equipped with the necessary conveniences for temporary accommodation.

Quick decisions of the first days in individual territorial communities stopped the search for a solution to the problem at the systemic level: providing people with housing for a long period of time. Currently, in order to further provide forcibly displaced persons with housing, an availability of vacant property (uncompleted high-rise buildings, abandoned houses, seized real estate) is being conducted in some host communities.



The problem of employment of persons who moved to other regions of the country also arose. Against the background of the decline of the country's economy, internal migration increased the supply of labor resources in the labor market of certain regions.

In addition, due to the different structure of the economy, the visiting specialists are often not required in this area. These people need retraining and training. In addition, employers perceive these people as a mobile category of the population and do not want to hire them.

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However, taking into account the positive impact of decentralization on increasing the capacity of local communities, the Ukrainian authorities have confirmed their determination to continue the reform of updating the administrative and territorial system and at the same time eliminate those shortcomings that remained unresolved at the beginning of 2022.

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Therefore, we are looking for tools for building connections, forming a mechanism for consolidating the efforts of volunteer initiatives and local self-governments.

Strengthening the partnership and cooperation of public sector, local self-governments, and business is vital for the unity of society in Ukraine.

A world map where the landmasses are colored in the blue and yellow of the Ukrainian national flag. The background is a light blue-to-pink gradient.

**THANK YOU
FOR YOUR ATTENTION**

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