

**NEWS**

**A Roundtable Held on Discussing Recommendations for Promoting EITI Implementation in Ukraine Based on Results of MSG Delegation Visit to Norway** 30 June

The USAID Municipal Finance Strengthening Initiative (MFSI-II) Roll-out Project conducted a roundtable in Kyiv on 30 June, on the topic of Discussing Recommendations for Promoting the Extractive Industries Transparency Initiative (EITI) Implementation in Ukraine Based on Results of the Multi-Stakeholder Group (MSG) Delegation Visit to Norway.



[more](#)

**Continued PPB Training in Collaboration with Training Centers** 30 June

As part of collaboration with the Kyiv City Retraining and Qualifications Advancement Center, a training on practical aspects of performance program budgeting was conducted in Kyiv on June 30. MFSI-II experts delivered training for accountants and economists of museums and musical schools from Kyiv.

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**Participation in Roundtable on Regional Problems of Extractive Industry and Implementation of Extractive Industries Transparency Initiative** 29 June



On 29 June, IBSEER experts took part in a roundtable Regional Problems of Extractive Industry and Implementation of Extractive Industries Transparency Initiative, which was held in the city of Dolyna, Ivano-Frankivsk Oblast. The event was organized by the Bureau for Development, Innovations, and Technologies (BDIT) nongovernmental organization under USAID Municipal Finance Strengthening Initiative (MFSI-II) Roll-out Project as part of realization of the component of Implementation of Extractive Industries Transparency Initiative in Ukraine.

[more](#)

**Roundtable "Implementation of Participatory Budget in the City of Kyiv" Held at KCSA** 21 June

The event was conducted by the Institute for Budgetary and Socio-Economic Research (the Institute) under the USAID Municipal Finance Strengthening Initiative (MFSI-II) Roll-out Project (the Project) jointly with the Kyiv City State Administration (KCSA).



[more](#)

**Citizen Representation. Safe Environmental Situation and Hydrocarbon Extraction Seminar in Lkhvytsia** 15 June



A seminar on Citizen Representation. Safe Environmental Situation and Hydrocarbon Extraction was held in Lkhvytsia on 15 June 2016. The event was organized within the framework of the USAID Municipal Finance Strengthening Initiative (MFSI-II) Roll-out Project as part of assistance in implementation of the Extractive Industries Transparency Initiative in Ukraine component.

[more](#)

**Studying the Norwegian Experience of Implementation of the Extractive Industries Transparency Initiative (EITI)** 5 June

On 29 May - 5 June 2016, the USAID Municipal Finance Strengthening Initiative (MFSI-II) Roll-out Project organized a study tour to Oslo, Norway, for members of the Multi-Stakeholder Group (MSG) and other interested parties, including representatives of central government, nongovernmental organizations, and EITI National Secretariat.



[more](#)

**Completion of Trainings on Operation of Budgets of Associated Territorial Communities Continued** 27 May

MFSI-II experts, working with MOF, completed a series of trainings on "Operation of Local Budgets, in Particular, Budgets of Associated Territorial Communities in the Decentralization Environment" for specialists of local financial bodies and associated territorial communities.

[more](#)

**The Ending of Series of Trainings for Budget Process Participants On How to Use the E-Data Official Public Funds Web Portal** 27 May

Experts of the Municipal Finance Strengthening Initiative (MFSI-II) Roll-out Project completed a series of training events on the topic Use of the E-Data Official Public Spending Web Portal by Budget Process Participants.

[more](#)

**Continuation of Trainings on Operation of Budgets of Associated Territorial Communities Continued** 18 May

MFSI-II experts, working with MOF, continue to conduct a series of trainings on "Operation of Local Budgets, in Particular, Budgets of Associated Territorial Communities in the Decentralization Environment" for specialists of local financial bodies and associated territorial communities.

[more](#)

**Participation in the 2nd Forum of Energy Efficient Partnership** 12 May



On May the 12th, at the initiative of the State Agency on Energy Efficiency and Energy Saving of Ukraine (SAEE) and the Ministry of Regional Development, Construction, Housing and Municipal Economy of Ukraine, 2nd Forum of Energy Efficient Partnership "Energy service: investments in energy efficiency of budget sector and benefits for residential buildings" was held in Kyiv.

[more](#)

**Continuation of Trainings on Operation of Budgets of Associated Territorial Communities Continued** 12 May



MFSI-II experts, working with MOF, continue to conduct a series of trainings on "Operation of Local Budgets, in Particular, Budgets of Associated Territorial Communities in the Decentralization Environment" for specialists of local financial bodies and associated territorial communities.

On May, 11th and 12th, 2016 training seminars were held in Lutsk and Sumy. The training was attended by 53 participants in Lutsk and 65 - in Sumy.

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**Trainings for budget process participants on how to use the E-Data official public funds web portal continue** 21 April

Experts of the Municipal Finance Strengthening Initiative (MFSI-II) Roll-out Project continue conducting a series of training events on the topic Use of the E-Data Official Public Spending Web Portal by Budget Process Participants. Thus, five trainings were delivered in Zhytomyr on 19, 20, and 21 April. Four trainings were conducted in Kirovohrad on 20 and 21 April.



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**Expert Panel Discussion of the Legislative Draft "On Disclosure of Information in Extractive Industries"** 19 April



On 19 April, representatives of the Municipal Finance Strengthening Initiative Roll-out (MFSI-II) Project took part in an expert panel discussion of the bill "On Disclosure of Information in Extractive Industries". The event was organized by the Chamber of Tax Consultants NGO, which is a sub-grantee of the MFSI-II in respect of implementation of the Extractive Industries Transparency Initiative (EITI) in Ukraine.

[more](#)

**Training on Operation of Budgets in United Territorial Communities Held in Cherkasy** 14 April

Experts of USAID's Municipal Finance Strengthening Initiative (MFSI-II) Roll-out Project, with the Ministry of Finance of Ukraine, are continuing a series of conferences for specialists of local Finance Departments intended for clarification of the specifics of operation of budgets in the united territorial communities, which have direct inter-budget relations with the State budget.



[more](#)

**Trainings on How to Use the E-Data Public Funds Web Portal Conducted for Spending Units in Zaporizhzhya** 11-13 April



On 11 through 13 April, the USAID Municipal Finance Strengthening Initiative (MFSI-II) Roll-out Project, with support from the Ministry of Finance of Ukraine, conducted five training sessions on how to use the E-Data public funds Web portal for key spending units in Zaporizhzhya.

[more](#)

**The public in the Kharkiv and Sumy oblasts learns about the opportunities offered by the Extractive Industries Transparency Initiative** 7-8 April

On 7 and 8 April, MFSI-II experts took part in three roundtables intended to disseminate information about the Extractive Industries Transparency Initiative (EITI) in the Kharkiv and Sumy oblasts. The events were organized by the Nova Energia NGO from Kharkiv, which is a sub-grantee of the MFSI-II Project for EITI implementation in Ukraine.



[more](#)

**Trainings for the key spending units on using web portal E-Data** 5 April

On April, 5th the USAID project "Municipal Finance Strengthening Initiative (MFSI-II) Roll-out", in partnership with the Ministry of Finance of Ukraine, started the next series of trainings for the key spending units on how to work with E-Data, official web portal for publishing the information on use of public funds.

The first training workshops were held in November - December 2015 for spending units of the Kyiv, Dnipropetrovsk, Odessa, Ternopil, and Chernivtsi oblasts. Till the end of May trainings will be delivered in Khmelnytsky, Sumy, Zaporizhzhya, Odessa, Zhytomyr, Kyrovograd, Cherkassy, Mykolayiv and Poltava regions.

[more](#)

**ANALYSIS**

**Analysis of Budget Execution in January-March 2016**

The macroeconomic situation demonstrated some signs of stabilization in January through March 2016. The real GDP increased by 0.1ppt in Q1 2016 (in constant 2010 prices vs. respective quarter of 2015). The European Union (EU 28) and Eurozone countries also demonstrated growth of real GDP by 1.7% and 1.5%, respectively.

The nominal GDP totaled UAH 453.2bn in Q1 2016, which is UAH 85.6bn or 23.3% more year-on-year. This amounts to 21.7% of the nominal GDP indicator used for preparation of the state budget for 2016.

The industrial output grew in January-March 2016. The industrial production index amounted to 104.4% in Q1 2016 against 95.6% in the respective period of 2015. The production output increased in the majority of industries in the period under review.

The consumer price index amounted to 101.5% in Q1 2016 versus 120.3% in the respective period of 2015. The producer price index was growing throughout January-March 2016 and amounted to 104.4%.

The foreign trade balance of Ukraine was a positive one of \$151.0mn in Q1 2016; however, in the same period of last year, this balance was 9.7 times greater and amounted to \$1,469.3mn.

The nominal average monthly wage per one full-time employee amounted to UAH 4,618.0 in Q1 2016, which is 26.8% more year-on-year.

The real wage decreased by 6.8% in January-March 2016 (down 6.5% in the respective period of 2015).

The actual intake of revenues of the consolidated budget of Ukraine totaled UAH 163.4bn in Q1 2016, which is UAH 23.2bn or 16.5% more year-on-year.

The state budget received UAH 128.3bn in the same period, which is UAH 15.6bn or 14.1% more than the same indicator of last year. The annual plan was implemented by 21.7%.

Revenues increased from all key tax sources: The value-added tax on goods made in Ukraine increased by nearly 40.0%; VAT on goods imported in Ukraine by 32.8%; personal income tax by one third; and excise tax by more than 50.0%. The revenues from rent and fees for use of other natural resources more than tripled. A reduction in tax revenues was only noted in taxes on foreign trade and external transactions (by 26.7%). This was due to reduced imports. Besides, due to crisis phenomena in the economy in 2015, the revenues from the enterprise profit tax decreased somewhat (-UAH 0.4bn or 2.5%).

At the same time, non-tax revenues decreased by 44.2%, from UAH 20.1bn to UAH 11.2bn due to absence in the current year of two types of non-tax revenues: The fee for issuance of licenses for use of Ukraine's radio frequency resources; and the funds remitted by the National Bank of Ukraine according to the Law of Ukraine «On the National Bank of Ukraine.» In January-March 2015, these payments amounted to UAH 6.2bn and UAH 5.5bn, respectively.

The local budgets (without inter-budget transfers) received UAH 35.1bn in January-March 2016, which is UAH 7.3bn or 26.4% more than in 2015.

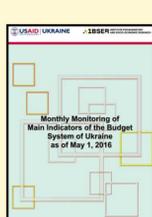
The annual revenue plan approved by local councils was implemented by 31.6%. Such an indicator of plan execution gives grounds to forecast its being exceeded based on annual results. Also, this high level of annual plan execution was assured by growth in revenues from all the main tax sources: The indicators of personal income tax were executed by 28.0%; enterprise profit tax by 52.4%; excise tax on sale of excisable goods by retail businesses by 29.7%; land rent payable by legal entities by 33.8%; single tax by 36.6%; etc.

[more](#)

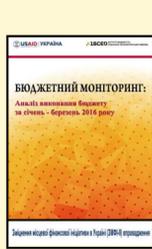
**PUBLICATIONS**



**Monthly Monitoring of Main Indicators of the Budget System of Ukraine as of April 1, 2016**



**Monthly Monitoring of Main Indicators of the Budget System of Ukraine as of May 1, 2016**



**Budget Monitoring: Analysis of Budget Execution in January-March 2016**  
Ukrainian version only