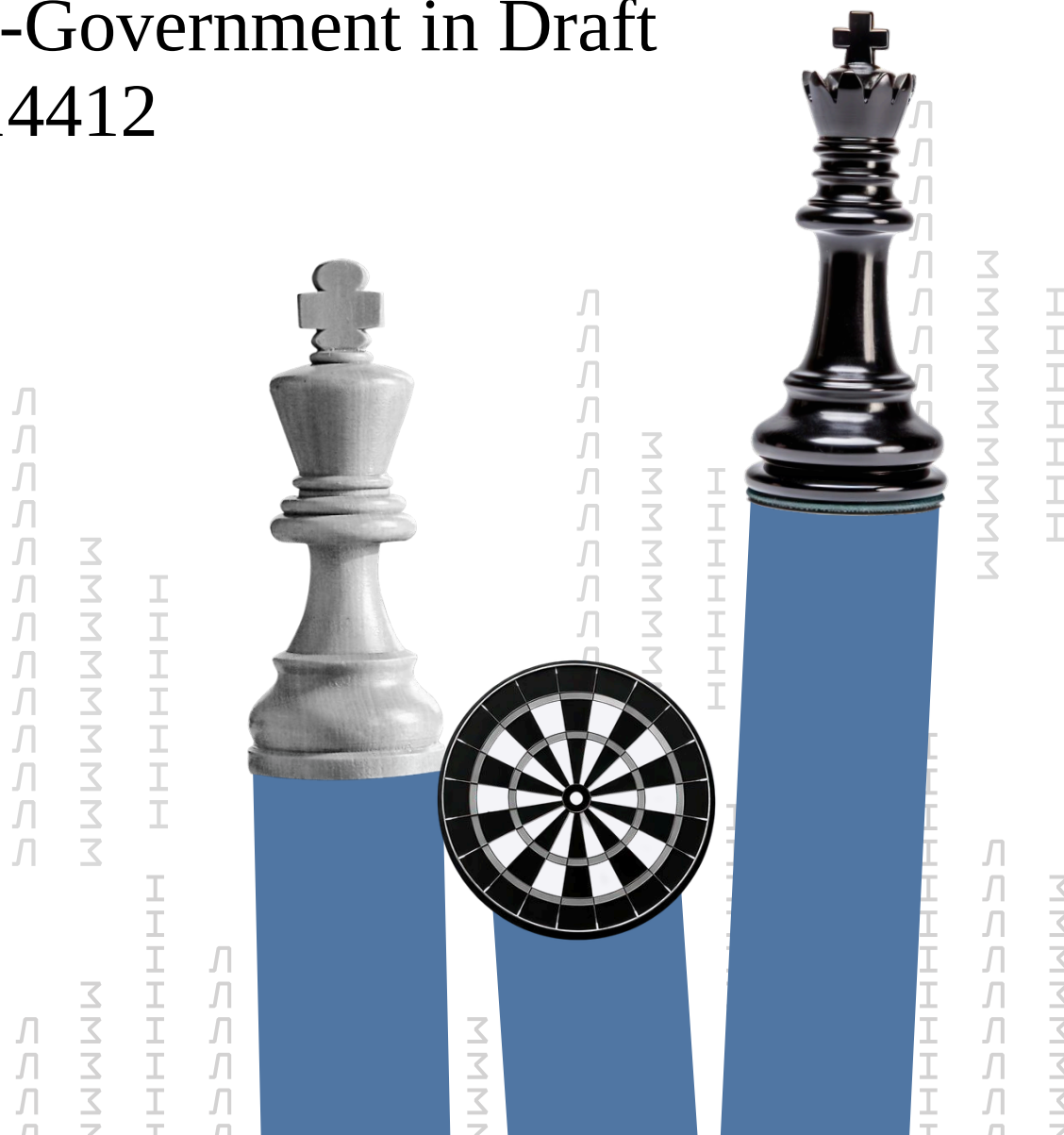


INFOBRIEF:

The Problem of Delineating Powers

Between State Authorities and Local Self-Government in Draft Law No. 14412

2026



The Concept of Reforming Local Self-Government and Territorial Organisation of Power in Ukraine¹ set out, as early as 2014, the objective of achieving an optimal distribution of powers between local self-government bodies (LSGBs) and state authorities. Despite this, the proper delineation of powers between the various levels of public administration remains an open question and has yet to be conclusively resolved. The absence of such delineation sustains the excessive (post-communist) centralisation of public administration, entrenches an ineffective model of power-sharing between central state authorities and LSGBs, undermines the achievements of Ukraine's decentralisation reform, and does not conform to the European principles governing the distribution of powers across levels of public governance. In practical terms, the lack of delineation gives rise to conflicts of competence, the inefficient use of resources, and the dependence of local self-government on 'manual' control from the centre.

The specific problem has been set out in the following documents:

- › the **Ukraine Facility Plan for 2024–2027**², which sets the task of bringing into force, by 31 March 2026, legislation delineating powers between LSGBs and state authorities, and between the various levels of public administration, in line with the principles of decentralisation and subsidiarity;
- › the **Action Plan for Implementing the Recommendations of the European Commission Set Out in the Report on Ukraine's Progress Under the 2024 EU Enlargement Package**³, which establishes commitments: *(1) to define the principles for delineating the spheres of competence of the state and of local self-government and (2) to distribute LSGB powers into own and delegated powers by June 2025, and (3) to submit to the Cabinet of Ministers of Ukraine a draft law on delineating the powers of LSGBs of different levels and of LSGBs and executive authorities in accordance with the principle of subsidiarity by August 2025;*
- › the **Public Administration Reform Roadmap (2025)**⁴, which provides for completing the reform of local self-government and the territorial organisation of power in Ukraine by 31 December 2027 and adopting the corresponding legislation by 31 March 2026.

¹ On Approval of the Concept of Reforming Local Self-Government and Territorial Organisation of Power in Ukraine: [Order of the Cabinet of Ministers of Ukraine of 01.04.2014 No. 333-r](#).

² [Ukraine Facility Plan 2024–2027](#), pp. 212–213, 218–219.

³ On Approval of the Action Plan for Implementing the Recommendations of the European Commission Set Out in the Report on Ukraine's Progress Under the 2024 EU Enlargement Package: [Order of the Cabinet of Ministers of Ukraine of 28.03.2025 No. 300-r](#). Plan, p. 1.

⁴ Certain Issues of Ensuring the Negotiation Process for Ukraine's Accession to the European Union Under Cluster 1, 'Fundamentals of the EU Accession Process': [Order of the Cabinet of Ministers of Ukraine of 14.05.2025 No. 475-r](#). Public Administration Reform Roadmap, p. 12.

Why This Matters

Entrenching the current model of power-sharing between LSGBs and state authorities, together with the imbalances between the various levels of public administration, creates a set of systemic risks. Specifically, it:

- › **makes effective vertical coordination impossible owing to chronic conflicts of competence between levels of authority:** the quality of public service delivery becomes secondary, while authorities focus on disputes over the limits of their responsibilities;
- › **undermines the very idea of decentralisation:** the administrative, financial and resource dependence of LSGBs — driven by the persistence of extensive ‘manual’ control over them by state administrations — devalues the accountability of LSGBs to voters;
- › **contributes to a negative assessment of Ukraine’s progress in the EU negotiation process,** owing to the late fulfilment of commitments under the Ukraine Facility Plan for 2024–2027, the Action Plan for Implementing the Recommendations of the European Commission Set Out in the Report on Ukraine’s Progress Under the 2024 EU Enlargement Package, the European Commission’s recommendations set out in its report on Ukraine (November 2025)⁵, and the Public Administration Reform Roadmap, with regard to regulating the area of multi-level governance.

Addressing the Problem

The problems described above are to be resolved by the government’s draft law ‘On the Principles of Delineation and Distribution of Powers Between Levels of Public Governance’ (No. 14412 of 30 January 2026)⁶.

The draft law sets out the framework, principles, conditions and criteria for the delineation and distribution of powers between executive bodies and local self-government bodies. If it is adopted, amendments will be required for a further 158 laws and other legal acts, ultimately establishing the powers of public governance bodies.

⁵ European Commission (2025). [Ukraine 2025 Report](#) (SWD(2025) 759 final).

⁶ Verkhovna Rada of Ukraine (2026). Draft Law on the Principles of Delineation and Distribution of Powers Between Levels of Public Governance ([No. 14412](#) of 30.01.2026).

Draft Law No. 14412 defines:

- › the legal basis and principles for delineating and distributing powers of public governance bodies;
- › the levels and bodies of public governance;
- › the classification of the powers of public governance bodies;
- › the criteria for distinguishing the own and delegated powers of local self-government, as well as the criteria for delineating powers between levels of local self-government;
- › the conditions under which the state may delegate powers to LSGBs;
- › the specific arrangements for the exercise of powers by executive authorities and LSGBs under martial law or a state of emergency;
- › the resourcing of the exercise of powers by public governance bodies;
- › the limits of LSGB autonomy in decision-making;
- › the accountability of LSGBs for the exercise of their powers.

Draft Law No. 14412 was considered by the Verkhovna Rada of Ukraine and adopted at first reading on 7 April 2026. While it regulates the same matters of local self-government reform and the territorial organisation of power as the Resolution of the Cabinet of Ministers of Ukraine No. 1748 of 12 December 2025⁷, the two documents propose different approaches to classifying the powers of public governance bodies. The government Resolution No. 1748 differentiates between (1) *powers of state authorities that cannot be transferred to LSGBs*; (2) *powers of executive authorities that may be transferred under certain conditions*; (3) *delegated powers of LSGBs*; and (4) *own powers of LSGBs*. The classification proposed by Draft Law No. 14412 includes (1) *functional powers (own, delegated, optional, and those falling within the exclusive competence of the state)* and (2) *institutional and organisational powers (powers aimed at establishing and providing organisational support for the activities of public governance bodies)*.

Key Risks

Inconsistency in the legal basis for the activities of the various levels of public governance. Draft Law No. 14412 contains provisions that conflict with the Constitution of Ukraine and with European law, namely: (1) *defining by law the manner in which LSGBs perform their own functions*; (2) *specifying the list of LSGB functions through a legal act of the government or the President rather than through a law*; (3) *restricting the right of LSGBs to challenge in court the decisions concerning their own powers*; and (4) *establishing contractual*

⁷ Certain Issues of Reforming Local Self-Government and the Territorial Organisation of Power Under Martial Law and in Preparation for Ukraine's Accession to the European Union: [Resolution of the Cabinet of Ministers of Ukraine of 12.12.2025 No. 1748](#).

grounds for the joint exercise or delegation of powers. Together with the discrepancies between Draft Law No. 14412 and Resolution of the Cabinet of Ministers No. 1748 regarding the classification of the powers of public governance bodies, these features create the following risks:

- › a high likelihood that the law will be found unconstitutional, in whole or in part;
- › the emergence of an internally contradictory model of public governance;
- › a slowing of European integration.

Institutional bias in favour of the executive vertical. Draft Law No. 14412 effectively allows the functions of LSGBs to be defined at the level of subordinate legislation (acts of the President and the Cabinet of Ministers), which creates a threat:

- › to the balance between the branches of government, in particular by limiting the competence of Parliament and of local councils;
- › to the long-term planning of LSGB activities, since subordinate legislation is less stable and predictable than primary law.

Conclusion

Adopting Draft Law No. 14412 without addressing its conceptual inconsistencies would create risks of legal uncertainty and institutional conflict, lay the groundwork for greater centralisation of administration by the executive and the erosion of the positive results of the decentralisation reform, and slow Ukraine's fulfilment of its European integration commitments.

Recommendations

Short-Term Recommendations (Urgent Legislative Changes):

1. Synchronise government decisions with legislative changes in the area of the optimal distribution of powers between LSGBs and state authorities and between the various levels of public administration; align the terminology and the classification of powers used in Draft Law No. 14412 and in government Resolution No. 1748.
2. Remove from Draft Law No. 14412 the provisions on defining the functions of LSGBs through subordinate legislation, and provide that LSGB functions be defined exclusively by law.
3. Remove from Draft Law No. 14412 the norms allowing executive authorities to determine the means and procedures by which LSGBs exercise their own powers,

leaving communities free to choose their own working methods within the powers conferred on them by law.

4. Remove from Draft Law No. 14412 the concept of 'optional powers', as it has no equivalent in European law and creates legal uncertainty.
5. Remove from Draft Law No. 14412 the provisions on the contractual redistribution of powers between public authorities, and provide that powers be defined exclusively by law rather than transferred locally through informal arrangements.
6. Provide for the resolution of any disputes regarding the exercise of all powers (not only those delegated) through the courts.

Medium-Term Recommendations (1–3 Years):

7. Conduct a functional audit of the system of public powers.
8. Develop and enshrine in law a single model for classifying powers.
9. Regulate the resourcing for LSGBs' exercise of delegated powers.
10. Institutionalise a mechanism for monitoring compliance with the distribution of powers between LSGBs and state authorities and between the various levels of public administration.

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