

## Defense spending. How does local government support the frontline and overcome the consequences of military aggression?

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### Research Methodology

Last year, the Verkhovna Rada returned UAH 85.1 billion of “military” and “security” personal income tax from local community budgets to the state budget. This is a tax on the income of military personnel, police officers, rank-and-file, and senior officers that they paid to the local budget.

The defense function belongs to the state, and it should have the appropriate resources to fulfill this function. As for local governments, after the return of the “military personal income tax” to the state budget, they de facto have resources exclusively for community development. In 2024, citizens picketed local governments demanding more funds to support the Armed Forces.

**The purpose of the study is:** to find out how local governments support the Defense Forces and eliminate the consequences of military aggression in communities at the expense of local budgets.

**Data sample:** local budget expenditures for 2022, 2023, and data on projected expenditures for the whole of 2024, and actual expenditures as of August-September 2024. The data is obtained by surveying territorial communities.

It is planned to survey all territorial communities except TOT and divide them into the following groups (village and settlement, city, and town councils with the status of a regional center).

**! Note:** if a local government that did not provide its data in time to the requests during the preparation of the survey wishes to do so, it can be sent to [survey@cid.center](mailto:survey@cid.center)

**Data collection and processing method:** all territorial communities, except TOT, received information requests with a request to fill in the table containing the following blocks in UAH for 2022-2024:

- ◆ **Programs to promote territorial defense** (data on the purchase of equipment for TD);
- ◆ **Subvention to the state and regional budgets from the local budget to support the defense forces.** This block is related to the redistribution of budgetary resources from the local level to the regional or state level to support the defense forces (SBU, AFU, TRO, GRU, NGU, border guards). However, this block does not include financial support for the Ministry of Internal Affairs, the Prosecutor's Office, and other law enforcement agencies that are not involved in repelling Russian aggression and participation in hostilities.
- ◆ **Reconstruction of destroyed infrastructure in the community.** This block asked for information to rebuild civilian infrastructure that was destroyed as a result of hostile aggression.
- ◆ **Other expenditures related to eliminating the consequences of the Russian Federation's armed aggression.** This block requested information on other expenditures related to overcoming the consequences of Russian aggression to ensure the livelihoods of various population groups (IDPs, medicine, civil protection (shelters)).

**Detailed blocks and their explanations can be found in Annex 1.**

Nº	Code name	Characteristics
1	<b>Program to promote territorial defense in your community for 2022-2026, total</b>	
1.1.	8240 Territorial defense measures and operations	Acquisition of UAVs, quadcopters, FPV drones, and electronic means of countering UAVs
1.2.	8240 Territorial defense measures and operations	Purchase of computer, television, optical, navigation, and other equipment
1.3.	8240 Territorial defense measures and operations	Purchase of motor vehicles

1.4.	8240 Territorial defense measures and operations	8240 Territorial defense measures and operations Purchase of concrete products, modular reinforced concrete, fire and fortification structures, ground slabs, and other construction materials
1.5.	8240 Territorial defense measures and operations	Burial and reburial of bodies and remains of military personnel with the provision of all necessary funeral services
<b>2</b>	<b>Subvention to the state and regional budgets to support the defense forces, total</b>	
2.1.	9800 Subvention from the local budget to the state budget for the implementation of programs for the socio-economic development of regions	Subvention to the state budget to support military units
2.2.	9800 Subvention from the local budget to the state budget for the implementation of programs for the socio-economic development of regions	Subvention to the state budget for the needs of the region's defense capability
2.3.	9770 Other subventions from the local budget	Subvention to the regional budget for the needs of regional defense
<b>3</b>	<b>Rebuilding the destroyed infrastructure and creating conditions for the protection of community residents</b>	
3.1.	1000 Education	Arrangement of shelters (stationary and mobile)
3.2.	2000 Health protection	Arrangement of shelters (stationary and mobile)
3.3.	8775 Other measures at the expense of the local budget reserve fund	Arrangement of shelters (stationary and mobile)

3.4.	0160 Leadership and management in the relevant area in cities (Kyiv), towns, villages, and territorial communities	Arrangement of shelters (stationary and mobile)
3.5.	6011 Operation and maintenance of the housing stock	Arrangement of shelters (stationary and mobile)
3.6.	7321 Construction of educational institutions and facilities	Arrangement of shelters (stationary and mobile)
3.7.	7323 Construction of social institutions and facilities	Arrangement of shelters (stationary and mobile)
3.8.	7330 Construction of other municipal property objects	Arrangement of shelters (stationary and mobile)
3.9.	7383 Implementation of projects (objects, events) at the expense of the fund for liquidation of the consequences of armed aggression	Arrangement of shelters (stationary and mobile)
3.10.	7691 Implementation of measures at the expense of trust funds established by local governments and local executive authorities	Arrangement of shelters (stationary and mobile)
3.11.	7693 Other measures related to economic activity	Arrangement of shelters (stationary and mobile)
3.12.	6011 Operation and maintenance of the housing stock	Restoration of facilities damaged by missile attacks
3.13.	6015 Ensuring reliable and uninterrupted operation of elevators	Restoration of facilities damaged by missile attacks
3.14.	0160 Leadership and management in the relevant area in cities (Kyiv), towns, villages, and territorial communities	Restoration of facilities damaged by missile attacks

3.15.	1000 Education	Restoration of facilities damaged by missile attacks
3.16.	2000 Health protection	Restoration of facilities damaged by missile attacks
3.18.	3121 Maintenance and support of social service centers	Restoration of facilities damaged by missile attacks
3.19.	7670 Contributions to the authorized capital of business entities	Restoration of facilities damaged by missile attacks
3.20.	7693 Other measures related to economic activity	Restoration of facilities damaged by missile attacks
<b>4</b>	<b>Other expenditures related to the liquidation of the consequences of the armed aggression of the Russian Federation, total</b>	
4.1.	3242 Other measures in the field of social protection and social security	Provision of targeted financial assistance to city residents whose homes and property were damaged as a result of missile attacks
4.2.	3230 Expenditures related to the provision of support to internally displaced and/or evacuated persons in connection with the introduction of martial law	Food provision for IDPs
4.3.	3242 Other measures in the field of social protection and social security	Food provision for IDPs
4.4.	7670 Contributions to the authorized capital of business entities	Transportation of goods and equipment
4.5.	1000 Education	Purchase of household goods, etc.
4.6.	2000 Health protection	Purchase of generators and fuel

4.7.	7323 Construction of social institutions and facilities	Reconstruction of buildings for IDPs
4.8.	7670 Contributions to the authorized capital of business entities	Purchase of generators, fuel, tires, household goods, etc.
4.9.	7693 Other measures related to economic activity	Payment for technical inspection services of the damaged real estate
4.10.	8110 Measures to prevent and eliminate emergencies and the consequences of natural disasters	Services for the maintenance of the public warning system
4.11.	8230 Other public order and security measures	Shelter protection
4.12.	8710 Local budget reserve fund	Reserve fund

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