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METHODOLOGICAL BASIS FOR INTRODUCTION OF THE BUDGET FOCUSED ON RESULT

Abstract. In article the attention is focused that in recent years in Ukraine there were fundamental changes of system of local government, especially regarding formation of local budgets and creation of the amalgamated territorial communities. Introduction of the programmeperformande budgeting in amalgamated territorial communities is aimed at providing transparency and implementation of an assessment of activity of participants of the budgetary process concerning achievement of goals and performance of tasks, increase in control levelof results of the budgetary programs implementation and carrying out the analysis of the reasons of their inefficient performance; streamlining of the organizing the activitiesby accurate differentiation of responsibility for implementation of each budgetary program between all participants of the budgetary process; improvement

of quality of development of the budgetary policy, efficiency of distribution and use of budgetary funds.

Keywords: local budget, gender budget, programme performande budgeting, medium-term budgeting, budget programmes, amalgamated territorial communities.

МЕТОДОЛОГІЧНІ ЗАСАДИ ЗАПРОВАДЖЕННЯ БЮДЖЕТУ, ОРІЄНТОВАНОГО НА РЕЗУЛЬТАТ

Анотація. Акцентовано увагу на тому, що в останні роки в Україні відбулись фундаментальні зміни системи місцевого самоврядування, особливо в частині формування місцевих бюджетів та утворення нового потужного суб'єкта місцевого самоврядування — об'єднаних територіальних громад. Запровадження програмно-цільового методу в бюджетному процесі в об'єднаних територіальних громадах спрямоване на забезпечення прозорості й здійснення оцінки діяльності учасників бюджетного процесу щодо досягнення поставлених цілей і виконання завдань, підвищення рівня контролю за результатами виконання бюджетних програм і проведення аналізу причин неефективного їх виконання; упорядкування організації діяльності шляхом чіткого розмежування відповідальності за реалізацію кожної бюджетної програми між всіма учасниками бюджетного процесу; підвищення якості розроблення бюджетної політики, ефективності розподілу і використання бюджетних коштів.

Ключові слова: місцевий бюджет, гендерно-орієнтований бюджет, програмно-цільовий метод, середньострокове бюджетування, бюджетні програми, об'єднані територіальні громади.

МЕТОДОЛОГИЧЕСКИЕ ОСНОВЫ ВНЕДРЕНИЯ БЮДЖЕТА, ОРИЕНТИРОВАННОГО НА РЕЗУЛЬТАТ

Аннотация. Основное внимание уделяется тому, что в последние годы в Украине произошли коренные изменения в системе местного самоуправления, особенно в отношении формирования местных бюджетов и создания интегрированных территориальных сообществ. Внедрение програмно-целевого метода в бюджетный процесс в объединенных территориальных сообществах направлено на обеспечение прозрачности и оценки деятельности участников бюджетного процесса по достижению поставленных целей и выполнению задач, повышению уровня контроля по результатам выполнения бюджетных программ и анализа причин их неэффективности; упорядочение организации деятельности путем розграничения ответственности за выполнение каждой бюджетной программы между всеми участниками бюджетного процесса; улучшение качества разработки бюджетной политики, эффективности распределения и использования бюджетных средств.

Ключевые слова: местный бюджет, гендерно-ориентированный бюджет, програмно-целевой метод, среднесрочное бюджетирование, бюджетные программы, объединенные территориальные сообщества.

Target setting. With adoption of laws of Ukraine “Onvoluntary amalgamation of territorial communities” and “On cooperation of territorial communities” the local government gets new opportunities for the further development [1]. In recent years in Ukraine there were fundamental changes of local government system, especially regarding formation of local budgets and formation of a new strong subject of local government — the amalgamated territorial communities (ATC). New ATC have received quite considerable financial resources, their budgets became comparable to budgets of the city of regionsubordinance, and the state support of infrastructure development of such communities has given an impulse to creation in rural territories of new opportunities for receiving full services by people from local government which they have been deprived earlier [2, p. 5].

Since 2017 the Programme Performande Budgeting (PPB) is applied to budgets which have direct relationship with the state budget (including ATC). It gives the chance to analyse efficiency of use of funds through comparison of the received results with expected (planned), and to compare the purpose on which funds are raised, with the end results from implementation of the project. Introduction of medium-term budget planning is one of a component of Strategy of reforming of a control system of public finances for 2017–2021. In particular, use of limited resources of the budget is provided for rendering the most effective and high-quality public services by strengthening of responsibility of the main managers of budget-

ary funds for results of activity in the respective spheres.

Analysis of recent research and publications. Separate provisions on introduction of the budget focused on result are stated in works [1–2, 4–7], however some questions demand the separate analysis and that is what this article is about.

The purpose of the article. To investigate methodological bases of introduction of the budget focused on result in the conditions of carrying out reform of decentralization.

The statement of basic materials. The idea of PPB consists in focusing not only on budget opportunities (the existing resources), but also on their most effective use for the purpose of obtaining concrete results. PPB is result of the applications of technologies of planning and the analysis used in private business [2, p. 39]. Introduction of PPB in particular in ATC is directed on: ensuring transparency and implementation of an assessment of activity of participants of the budgetary process concerning achievement of goals and performance of tasks, increase in level of control of results of implementation of the budgetary programs and carrying out the analysis of the reasons of their inefficient performance; streamlining of the organizing the activities by accurate differentiation of responsibility for implementation of each budgetary program between all participants of the budgetary process; improvement of quality of development of the budgetary policy, efficiency of distribution and use of budgetary funds [3].

Executive bodies of the relevant local councils make and approve the

forecast of the local budget for the following after the planned two budgetary periods respectively to expected and program documents of economic and social development of the respective territory, the state target programs which is based on the forecast of the State budget of Ukraine for the following after the planned two budgetary periods. Indicators of the draft of the local budget for the budgetary period coming after planned are based on indicative expected indicators of the local budget on the following after the planned two budgetary periods. According to the budgetary programs which provide implementation of investment projects within several years including those that are carried out with attraction of the credits (loans) by the state from the foreign states, banks and international financial institutions, and are defined by the decision on the local budget, the executive body of the relevant local council takes measures concerning priority of budgetary funds for the next budgetary period in the draft decision on the local budget for continuation of such investment projects taking into account need of their stage-by-stage end and commissioning of the corresponding objects.

The delay with application of PPB at the local level has such negative lines [4, p. 8]:

1) rendering of services on a competitive basis doesn't develop because the analysis of efficiency a ratio of cost of services to the sum of the means used on their granting isn't carried out;

2) a main goal of financing in the conditions of the operating approach

to planning of local budgets is the maintenance of network of budgetary institutions, developed historically, without efficiency of their functioning;

3) in the conditions of rigid limitation of budgetary funds proportional reduction of financing of budgetary institutions is made regardless of how effectively or inefficiently providing services by them;

4) managers don't have sufficient information for an assessment of satisfaction level of service recipient, availability of services, establishment of priorities and refusal of inefficient services or change of a way of their granting.

We will note that the policy of gender equality is an important factor of global development and fundamental human right. Underestimation of influence of the budget on women and men would lead to a result which contradicts the objectives, to make impossible achievement of certain economic indicators, in particular the economic growth, labor employment and etc. [5, p. 9].

Gender Budgeting represents (GB) administrative technology elaboration of target strategy for ensuring equitable distribution of resources for the benefit of various social groups of the population. Realization of GB is connected with an opportunity to change budgets and policy of the state towards bigger gender equality, in particular, gives an opportunity [5, p. 10–11]:

- to improve quality of services for the population at the expense of the direction of the budgetary expenses on the specific consumer;

- to increase efficiency of policies implementation and to provide the big accountability of governmental bodies;

- to improve laws and policies for the purpose of overcoming of the existing gender problems;

- to increase rates of economic development of territories taking into account more effective use of the available resources;

- to reduce gender inequality and to give an impetus to development of gender-sensitive policy;

- to increase knowledge and influence of the public (in particular women) on decision-making in the budgetary process;

- to carry out monitoring of achievement of political goals and statements relative to gender equality.

The gender budgetary analysis is an analysis of the programs financed from the budget and an assessment of as far as their actions satisfy needs of various groups of women and men. Recommendations about improvement of programs (actions) which are financed from the budget, budgetary and sectoral policies through the prism of gender approach (impact on various groups of women and men) are result. To the main steps of carrying out the gender analysis belong [5, p. 8]:

1. Definition of gender problems in branch – the analysis of position of various groups of women and men to which the specific program belongs; definition of the main target groups of the program, establishment of their situation and opportunities.

2. Data collection (basic data about program that are analyzed) – defini-

tion of main data on the program, its purpose, tasks, the main beneficiaries, performers and the size of expenses.

3. Carrying out the gender analysis of activity (actions, services) – researches of the main actions of the program, clarification of their influence on gender equality in area.

4. Carrying out the gender analysis of structure of expenses of the budget – an assessment of distribution of budgetary funds between various groups of women and men – beneficiaries of the program.

5. Target formation and recommendations on strengthening of gender equality on the program (actions, services) – development of recommendations on achievement of gender equality within the program.

In the course of approbation of GB in [6, p. 10, 89]:

- 2015 the Ministry of Social Policy of Ukraine, the Ministry of Youth and Sports of Ukraine, and also Ivano-Frankivsk (the western region), Zhytomyr (northern), Kharkiv (east), Kherson (southern) regions and Kyiv (the central region) were determined as pilot which became centers of the appropriate clusters;

- 2016 the Ministry of Education and Science of Ukraine, the Ministry of Health of Ukraine, the Dnipropetrovsk, Zakarpatska, Zaporizhia, Kyiv, Kirovohrad, Mykolaiv, Cherkassy and Chernivtsi regions were connected to process. All regions work within one-two of four branches: educations (Zakarpatska, Kherson, Chernivtsi regions, Kyiv); health protection (Ivano-Frankivsk, Kyiv, Cherkassy regions, Kyiv); social protection and social security (Zhytomyr,

Dnipropetrovsk, Zaporizhia regions); youth policy and physical culture and sport (Kirovohrad, Mykolaiv, Kharkiv regions);

- 2017 Vinnytsia, Lviv, Poltava, Sumy, Ternopil and Khmelnytskyi regions join in.

It has been found that during selection of regions the purpose was broad coverage of all territory of the country (taking into account a geographical location and a social and economic condition of development of the territory) to provide the most effective implementation of the planned actions and to promote distribution of GB in other regions of the country. Introduction of this management method by budgetary funds will allow to increase efficiency and transparency of the budgetary expenses and to reduce gender gaps in any sphere.

By means of the gender analysis, factors, characteristic of women and men, are investigated: types of activity, living conditions, needs, access to resources and services of the socio-humanistic sphere, control over resources, all interrelations and other factors in a wide social, economic, political and ecological context.

Opportunity belongs to advantages of GB at the level of ATC:

- to improve quality of services for the population at the expense of the direction of the budgetary expenses to the specific consumer;

- to increase efficiency of realization of policy of ATC development through overcoming the existing gender problems and to provide the bigger accountability of local governments;

- to increase rates of social and economic development of a territorial

community taking into account more effective use of the available resources;

- to raise the awareness and influence of the public, in particular women, on decision-making in the budgetary process;

- to carry out monitoring of achievement of political goals and statements regarding gender equality.

Introduction of GB impact on formation of the balanced budget because it combines two processes not connected among themselves: ensuring gender equality (protection of the rights of each person) and managements of local finance (technical process of distribution of financial resources, including and through the budget). The local budget created thus considers needs of all consumers: women and men, boys and girls of different social groups, and also guarantees them the equal rights and opportunities at the expense of budgetary funds in the course of realization state and regional politics.

“Gender effects” from implementation of the budgetary programmes [5, p. 57–59]:

1) social – are defined as the social benefits received by various target groups of recipients of the benefits both directly, and indirectly not only in short but also in the long-term perspective;

2) distributive – show how redistribution of the benefits and the income is carried out for the benefit of those gender groups for which state improvement the specific program is implemented;

3) institutional viability – the gender analysis of stability and efficiency of bodies and structures which operate the program, and also the analysis of

stability of the environment in which the program has to be carried out;

4) economic — is estimated validity of volume of expenses on implementation of the program and financing of priorities of gender equality, proceeding from limited budgetary resources.

Gender audit of city space: “Arrangement of children’s playgrounds”. Budgeting of projects on arrangement of ATCby playgrounds are gender and neutral from the point of view of needs of boys and girls, however from the point of view of satisfying the requirements of a family with children — gender and discrimination. In budgets for a playgrounds construction there are no expenses on the accounting of needs of parents of children of preschool age. Adults must necessarily accompany children up to 7 years therefore the set of the playground has to include benches for parents. In the conditions of limited budgetary resources, the accounting of interests of parents it is possible to carry out by attraction of additional resources. The children's playground has to cover category of children up to 12 years, and the gender analysis of programs of improvement has found “a gender blindness” to girls of category 12+ through budgeting of projects on a construction of the athletic fields focused mainly on children. So, to projects on arrangement of athletic fields it is necessary to include zones for active recreation of girls in categories 12+ [5, p. 57–59].

Medium-term forecasting is entered with the purpose [7, p. 51]:

- introduction of accurate priorities in the sphere of local expenses;
- providing opportunities of initiation of budgetary policy changes and

mechanisms of control of their realization;

- improvement of the resources distribution directed to strategic priorities both between branches and in separate branches;

- increase in responsibility of the main budget holder regarding effective and rational use of resources (including by introduction of financial restrictions);

- strengthening of the general budgetary control.

The questions of the approval of social and economic and cultural development programs of the corresponding administrative and territorial units, target programs concerning local government are within the exclusive competence of village, settlement, city councils and are decided at the plenary sessions of the relevant councils. The budgetary programs and programs (target, social and economic development and so forth) which are approved by local council, isn't same.

The executive of the budgetary programs in the course of their performance provides target and effective use of budgetary funds during all term of implementation of the appropriate budgetary programs within certain budget settings. The budgetary program is set of the actions directed to achievement of the uniform purpose, tasks, the expected result which definition and the realization are enabled by the manager of budgetary funds according to the functions put for him. The passport of the budgetary program — the document defining the purpose, tasks, the directions of use of budgetary funds, executives, performance indicators and other character-

istics of the budgetary program according to the budget setting established by the decision on the local budget.

Performance indicators of the budgetary program are used for an assessment of the budgetary program efficiency and include quantitative and quality indicators which define result of implementation of the budgetary program, characterize the course of its realization, extent of a goal achievement and performance of tasks of the budgetary program. At all stages of the budgetary process its participants within their powers carry out an assessment of the budgetary programs efficiency, providing measures for monitoring, the analysis and control of target and effective use of budgetary funds. The assessment of efficiency is carried out on the basis of the analysis of their performance indicators, the other information which is contained in the budgetary requests, estimates, passports of the budgetary programs, reports on implementation of estimates and reports on implementation of passports of the budgetary programs.

Conclusions. Thus, it is possible to note that in the conditions of the modern period local governments of again created integrated communities should know and understand the nature of local finance, understand the mechanism of their functioning, be able to analyze the processes and the phenomena connected with formation, distribution and use of monetary funds, see those forms, methods and means by which it is possible to use most fully local finance as one of instruments of effective influence on all processes of social and economic development of the community [7, p. 4].

On the basis of priorities of a community, forecasts of receipts in the budget, and also proceeding from individual strategic plans of the main budget holders, medium-term forecasts of expenses are formed. This process is called medium-term forecasting (planning). The open and transparent disposal of budgetary funds is a necessary prerequisite of confidential and effective relationship of local governments both with citizens, and with business, domestic and foreign investors and creditors, other target groups.

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