

BUDGET POLICY OF REGIONAL DEVELOPMENT IN CONDITIONS OF DECENTRALIZATION OF POWER IN UKRAINE

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The goal of decentralization is to build an effective system of territorial organization of power in Ukraine, fully implement the provisions of the European Charter of Local Self-Government, the principles of subsidiarity and financial self-sufficiency of local self-government.

In the context of reforming the system of local finance, aimed at decentralization and ensuring the real autonomy of local budgets, the importance of regional budget policy is increasing.

Adopted in Ukraine, the Budget and Tax Codes establish a new order of budgetary legal relations based on the decentralization of finances, the expansion of powers of territorial communities, and the expansion of the revenue base of local budgets through the consolidation of certain tax payments and fees for local budgets. But, despite positive changes, the real autonomy of local budgets has not been achieved.

The priority of state budget policy should be to ensure the independence of local budgets, to strengthen their financial capacity, to increase transparency and efficiency of management of budget funds at the local level. It is necessary to achieve this by: maintaining the positive dynamics of the indicator characterizing the share of local budget revenues in the total consolidated budget revenues; reduction of disproportions in the capacity of local budgets through the mechanism of horizontal equalization; refusal from the practice of transferring funds from the state to local budgets in case of over-fulfillment of monthly indicators of revenues determined in the state budget drawing; changes in approaches to the distribution of intergovernmental transfers, as a result of structural reforms in the budget sphere; creation of a two-tier system of inter-budgetary relations; introduction of elements of medium-term budget planning at the local level to increase predictability and consistency of fiscal policy.