The decentralization of financial relations, which is a feature of modern economic development of Ukraine, determines enhancing the role of local authorities in ensuring effective development of their territories. This makes it necessary to solve a number of problems associated with the improvement of methods of formation and use of financial resources of administrative units. Successful solving of problems of socio-economic development and needs of territorial communities depends on the effectiveness and efficiency of attracting financial resources of the region.

The state of budget provision of regions of Ukraine was analysed. It was proved that fiscal potential of the region characterizes the potential accumulation of financial resources in the budget of the appropriate level. It was investigated the real fiscal capacity that actually able to form and provide the region in certain conditions. Identified disparities necessitate revision of the regional policy budget software, because even sufficiency of financial flows does not lead to an improvement of the socio-economic situation in the regions.

The highest budgetary provision for years 2010-2015 was in Kyiv and Sevastopol. Among the regions, the leaders are Dnipropetrovsk region, Poltava region, Kiev region and Donetsk region. In Crimea there is also a high level of budgetary support, however, should take into account the data for the region is taken without 2014 and 2015 – the most problematic over the military events in eastern Ukraine, annexation of the Crimea, decrease of export potential and negative currency fluctuations.

This situation is not favourable for the regional development in the country. In such a situation traced interrelated processes increasing influence on the one hand, poor budget funding at the level of socio-economic development, on the other – low level of socio-economic development, causing low budget content. Therefore, solving the identified problem requires a comprehensive and systematic approach to improve the situation with providing a positive trend in the coming years.