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## THE FINANCIAL SUPPORT FOR THE STATE RESOURCE PROGRAMS IMPLEMENTATION

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### ФІНАНСОВЕ ЗАБЕЗПЕЧЕННЯ РЕАЛІЗАЦІЇ ДЕРЖАВНИХ ПРОГРАМ З РЕСУРСОЗБЕРЕЖЕННЯ

*The article represents the financial support assessment and calculates the efficiency of the saving resources programs in Ukraine. The author carries out a systematic study of the theoretical principles and practical aspects of the financial efficiency ensuring the implementation of government programs in Ukraine and efficient using of the financial instruments for the saving resources stimulation.*

*The author substantiates the necessity of the entegrated approach to form and implement the fiscal policy in the financing of resource saving programs. It is also shown the mechanism of its stimulation through fiscal management, public-private partnership in the resources conservation area, coordination of program-target method that plans budget expenditures and priorities of the country's socio-economic development and its administrative-territorial subdivisions with taking into account the institutional environment.*

*It is determined that one of the key measures to ensure the implementation of state resource programs is to establish international partnerships that will be aimed at attraction of foreign experience and foreign financial investments to implement state saving resource programs.*

*У статті здійснено оцінку фінансового забезпечення та розраховано ефективність фінансового забезпечення програм ресурсозбереження в Україні. Автором проведено системне дослідження теоретичних засад і практичних аспектів підвищення ефективності фінансового забезпечення реалізації державних програм ресурсозбереження в Україні та використання дієвих фінансових інструментів стимулювання ресурсозбереження.*

*Обґрунтовано необхідність запровадження комплексного підходу до формування й реалізації бюджетної політики у сфері фінансового забезпечення державних програм ресурсозбереження та механізму його стимулювання на основі використання інструментів податкового регулювання, державно-приватного партнерства у сфері ресурсозбереження, узгодження програмно-цільового методу планування видатків бюджету й пріоритетів соціально-економічного розвитку країни та її адміністративно-територіальних утворень з урахуванням інституційного середовища.*

*Визначено, що одним із основних заходів забезпечення реалізації державних програм ресурсозбереження є налагодження міжнародного партнерства, яке буде спрямоване на залучення зарубіжного досвіду та фінансових інвестицій для реалізації державних програм ресурсозбереження.*

**Keywords:** *government policy, rational use, state resource program, regional resource program, financial support, efficiency of budget programs.*

**Ключові слова:** *державна політика, раціональне використання, державна програма ресурсозбереження, регіональна програма ресурсозбереження, фінансове забезпечення, ефективність бюджетних програм.*

**Introduction.** The budget reform of the state policy in the rational resources using in the economy of Ukraine is of particular importance.

The dominance of primary industries and resource-use disposables technologies require effective implementation of government financial policies to encourage the resource conservation, environmental protection and living conditions of the people. This can be provided with effective implementation of government programs and their adequate financial support through the use of market instruments as well as state regulation of the economy.

The state financial saving resources programs are inadequate today, the goals are not clearly defined, the efficiency of limited budget funds using is low. This determines the particular importance of finding ways to improve the financial implementation of the national saving resources programs.

The amount of resources using in the face of their rising demand due to human activity is steadily decreases. Because of it the efficiency of functioning industrial systems may be achieved only through the rational use of resources and their economy as well [14].

The aim of this work is to reveal the theoretical foundations and development of practical recommendations for improving efficiency of financial support in using the state resource programs in Ukraine.

**The analysis of recent research.** The problems of the state financial support programs and the measures as for saving resources are revealed in the works of foreign scientists: R. Morgen, K. Sharp, B. Khomiak, N. Stepanets, O. Muliar and others.

The impact of fiscal policy, rational resources consumption and enhancing of performance-based tools as for resources processes in various economy sectors are considered in the works of scientists: T. Boholib, O. Vekyleh, L. Lysiak, O. Nowitska, O. Oksanych, P. Sabluk, V. Tropina and others.

**The main material of the research report.** The economic literature mainly identifies the question of saving resources with the cost reduction on resources production, which in fact represents the saving, economy and effectiveness during their production. Thus, the dictionary identifies the resources saving as the rational use of resources, the system

of measures to ensure the reduction of material consumption per unit of production, the increasing output of a final product, reduce of losses in the production process by applying the latest engineering technology achievements [15].

The interconnection system among all kinds of resources in the development of the financial support policy and the creation of target resource programs must be considered. For saving of some resources may be accompanied by other cost overruns.

The content of financial support resource saving is a method that defines the principals, sources and forms of financing economical subjects whose activities are aimed at efficient use of resources. The functional financial support is to allocate a certain amount of financial resources needed for decision of individual tasks components or activities in the field of saving resources. In this regard, the significant role of the state belongs to its fiscal policy that implements the providing and regulatory functions. This is possible due to the fact that each administrative-territorial unit forms its own budget, budgetary relations that correlate with the corresponding state policy. So it involves the creation of motivation mechanisms to form and allocate the costs as for these purposes by the economic agents. The financial institutes in this field transform from ongoing development resource-saving processes into medium and long-term ones with taking into account of macroeconomic trends [5].

Formulation and implementation of state programs is an important tool of implementing the policy of resource saving, which is possible only when there is an adequate level of financial support for these programs implementation.

Financial support of state saving resources programs reflects the required interrelated combination of social and economic relations, tools, instruments, measures implemented by the government and relevant economic and financial institutions to ensure the optimal volume and structure of financial sources and activities.

Ukraine has implemented a number of state target programs related to resources conservation. These are as follows: nation-wide target program of population and territories protection from emergency situations of technogenic and natural character for 2013-2017 [12], the state target program "Drinking Water of Ukraine" for 2011-2020 [11], the state program for toxic waste management [9], the state program to establish a national ecological network of Ukraine for 2000-2015 [10], the state target economic program of energy efficiency and the development energy products made from renewable energy sources and alternative fuels for 2010-2015 [7], the state target program "Forests of Ukraine" for 2010-2015 [13] and others.

The regional programs that solve particular regional problems on the basis of state programs. Let's consider the regional target program in the Dnipropetrovsk region (table 1).

**Table 1.**  
**The list of current 2015 regional target program (directions)**

Applications	Number of programs
Environmental programs	14
Economic program	17
Social program	20
Scientific and technical programs	2
Law-Enforcement program	3
The National-Cultural program	8
Other programs	3
The programs validity of which has expired and under control	11
Total programs	78

Source: constructed by the author according to [4]

Today in Ukraine the effectiveness of state programs is estimated with using the Methodical recommendations for the assessment of the economic and social efficiency of the state target programs [8].

The Budget Code of Ukraine stipulates that the assessment of budget programs effectiveness is carried out by the participants in the budgetary process through measures of monitoring activities, analysis and control over the targeted and efficient use of budget funds. Budget programs are evaluated on the analysis of budgetary performance indicators and other information contained in budget requests, accounts, passports of budget programs, reports on budget execution and execution of budget program passports.

According to the order of Finance Ministry of Ukraine dated 17.05.2011 # 608 "On Approval of Methodological Recommendations on Efficiency Evaluation of Budget Programs" the assessment of efficiency of budget programs in the preparation of the draft budget and execution of the state budget is provided.

The periodicity of information collection, evaluation of budget programs efficiency are defined by the main distributor of budgetary costs. The annex to the order identifies the form on which the evaluation of the effectiveness of the budget program for the relevant year should be executed [1].

The absence of approved monitoring methodology does not allow to monitor constantly the implementation of the budget programs, to obtain information about the current situation so to draw conclusions about achievement of expected results for making management decisions. The lack of monitoring system in Ukraine limits the ability to make full evaluation of the budget process.

Let's look at the effectiveness of individual regional programs. Performance indicators, which depend on the consumption of resources during the implementation of the budget program, can be defined as the costs per unit of product (efficiency), the ration of the maximum number of produced goods (works, services) to certain financial resources (capacity), for achievement of a particular result (effectiveness).

**Table 2.**  
**The effectiveness of financial support (EFS) of regional saving resource programs**

Calculation of indicators EFS	2011	2012	2013	2014
The program of increasing energy efficiency and reducing energy consumption in the Dnipropetrovsk region in 2010-2015				
EFS (The amount of generated electricity, mln. KWh / Volume of financial program supply, UAH).	0,008	0,013	0,013	0,014
The program "Drinking Water of Dnipropetrovsk"				
EFS (Volume of water intake from natural water objects mln. m <sup>3</sup> / Amount of financial support for the Program on priority "Protection of drinking water sources", UAH mln.).	37,0	28,5	25,4	21,6
EFS (The capacity of the sewage disposal installations, mln. m <sup>3</sup> / Amount of financial support for the Program on priority "Development and Reconstruction of water supply systems", UAH mln.).	9,4	17,5	15,2	14,2
EFS (Volume of discharged waste water mln. m <sup>3</sup> / Amount of financial support for the Program on priority "Monitoring and quality control in drinking water supply system", UAH mln.).	1126,8	658,7	787,6	778,1
EFS (The amount of used fresh water, mln. m <sup>3</sup> / Amount of financial support for the Program, UAH mln.).	10,9	12,0	10,8	10,1
The Environmental protection program in the Dnipropetrovsk region 2005-2015, thousand UAH.				

EFS (The area of natural reserve fund land objects, thousand ha / Amount of financial assurance Program on priority trend "Earth", thousand UAH).	0,00012	0,00102	0,00004	0,00001
EFS (Volume of circulating and consistently used water, mln. m <sup>3</sup> / Amount of financial support for the program on priority "Water", thousand UAH).	0,188	1,659	0,061	0,018
EFS (Volume of emission pollutants into atmospheric air from stationary sources of pollution, thousand tons / Volume of financial support for the Program on priority "Air", thousand UAH).	0,029	0,259	0,010	0,003
EFS (Volume of recyclable waste, thousand tons / Volume of financial support for the Program on priority "Waste", thousand UAH).	2,9	25,5	1,1	0,3

Source: Calculated by the author according to [4]

One of the most significant factors hindering the decision of the questions connected with the financial provision resource conservation programs is the lack of financial resources. The implementation of state and regional programs of saving resources becomes very significant and needs the formation of incentive ways to attract funds from various sources that not prohibited by legislation of Ukraine.

Assessing the effectiveness of programs, we came to the conclusion that procedures of program planning in Ukraine have a lot of shortages that associated with the choice of priority goals, establishing criteria for evaluating the effectiveness of target programs and measures to achieve objectives, the development of indicators performance system and the like. A poor quality of medium and long-term macroeconomic forecasting also prevents the program planning development. The lack of responsibility for achievement of program planning from budget subject takes place as well [3].

The entire range of possible methods of efficiency evaluating of government programs used in the world practice is not sufficiently used in Ukraine. Therefore it is important to improve the methodology for monitoring the implementation of the fiscal program on the basis of performance evaluation at all stages of the budget process that will greatly improve the management of fiscal resources [1].

The implementation of national target programs of resources saving under current conditions is influenced by external and internal factors that create risks of their underfunding. They also allocate groups of risks grouped into two parts: subjective and objective. Each group of factors creates certain risks: unstable legislation (legal risks); the deterioration of the internal and external environment, the slow-down in economy, high inflation, reduced investment activity (macroeconomic risk); insufficient involvement of extra-budgetary funds, weak stimulation of investments by institutional investors, deficit of budget funds allocated for implementation of programs (financial risk); the occurrence of technological and environmental disasters (man-made and environmental risks); the increase of social tension due to incomplete or incorrect information about ongoing activities within conservation resources programs (social risks); wrongly chosen development priorities, inefficient management decisions (operational risks); blurred or abnormal operation of the communication channels (information risks); decrease the scientific-technological complex capacity associated with out of date methods of program implementation (technological risks).

Today there is no effective multi-level methodology for evaluating the effectiveness of programs. That will enable a comprehensive and objective assessment of targeted programs at various stages of their implementation, which will increase the efficiency of finance management.

Important investment processes allow us to form and effectively use the economic potential of the enterprise, region country in modern economic development conditions. It is obvious that the investment process will fairly quickly develop in the case of creating an appropriate investment climate that characterizes the general conditions of investment, that is, creates a general background for investment at all levels. In determining the list of such conditions, economists bring them together with economic, legal and institutional ones. But it should be noted that quite important to consider the environmental conditions. Thus, the state of the natural environment is an important factor of human life, and as a result of economic development. At this stage, the environmental situation in Ukraine is quite complicated and requires improvement and needs environmental investments' enhancement [2].

**Conclusions.** The state should use all possible financial instruments in its fiscal policies to promote financial support of resources conservation programs. They are, in particular the taxation mechanism (payment for using of natural sources and environmental taxation for nature pollution to ensure not only compensation but also the regulatory functions; proportional taxation according to the growth or reduction of harmful substances; increasing of environmental tax rates and indexation based on the inflation rate) so to reduce the level of anthropogenic impact on the resource potential, ecosystem and regional population [6].

One of the key measures to ensure implementation of state resource conservation programs is the establishment of an international partnership aimed at attracting foreign experience and financial investment for the administrative-territorial units so they were able to implement state programs efficiently. The important direction of financial support improvement is the implementation of the projects based on public-private partnership.

Effective use of state and local budgets with the assistance of private partners, foreign investors' funds, grants, international financial aid and appropriate monitoring system are capable of improving the implementation of financial resource conservation programs.

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