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## **Problems of financial support for the development of territories**

In modern conditions, one of the primary tasks of reforming the system of state finances and the administrative-territorial system of Ukraine is the formation of effective mechanisms for financial support of the functioning of territories for their full involvement in the processes of socio-economic growth of the state. To date, the first place in the world is occupied by the issue of the autonomy of local self-government bodies, which involves the possibility of fully managing the resources of local budgets and solving issues and problems at the local level. This is extremely relevant, especially today, when society is actively discussing the issue of local self-government reform, which involves expanding the boundaries of economic independence of regions. This implies a change in views on the economic development of individual territories, the nature of the financial interrelationships of the village, community, and government bodies and determines the need to increase the financial base of local self-government and, as a result, the growth of its self-sufficiency and financial independence.

It is financially capable territorial communities that positively influence the social and economic development of regions. The state financially supports local self-government, participates in the formation of local budget revenues, monitors the legal, appropriate, economical, efficient spending of funds and their proper accounting. It guarantees local self-government bodies a revenue base sufficient to provide the population with services at the level of minimum social needs.

The main obstacles to achieving the effectiveness of financial support for the development of territorial communities at the current stage include the following:

- the inconsistency of modern trends in the formation of incomes of local budgets of rural territorial communities with the goals of increasing their financial capacity;
- lack of incentives for effective use of the territories' own financial potential;
- significant differentiation of territorial communities according to the level of budgetary support;
- inefficient structure of local budgets of the region, as well as their vertical and horizontal imbalance;
- meager amounts of local budget expenditures of territorial communities for financing the development of territories;
- an imperfect mechanism for the State Treasury Service to make budget payments made by local self-government bodies.

The process of decentralized financial support for the development of territorial communities in modern conditions is based on a number of principles, among which, despite the general principles of transparency, openness, efficiency, unity and credibility, the principle of complementarity (even distribution of funds across the entire management vertical), subsidiarity (the issue must be resolved at the level, as close as possible to the scope of application of its results), democracy (members of the community should be maximally involved in solving issues of its development), departmentalization (combination of territorial and branch structures of financial support for the development of the territorial community).

Solving the problem of achieving the financial capacity of territorial communities is impossible without transforming territorial communities into real owners of their communal property, in particular forests and lands.

Therefore, the achievement of the main goal of the local self-government reform in Ukraine – the creation of economically and financially capable territorial communities – requires the implementation of deep systemic changes in most spheres of social life, including the administrative-territorial structure of the state, state finances, education, and health care I, and land relations, and the judiciary, and many others.

Thus, the goal of financial support for the development of territorial communities is the formation of funds of financial resources, the volume of which should fully ensure the implementation of economic, social and administrative programs aimed at achieving socio-economic development, strengthening the independence of the territorial community, meeting the needs and raising the standard of living of its population.