

**ЕКОНОМІКА ТА УПРАВЛІННЯ НАЦІОНАЛЬНИМ ГОСПОДАРСТВОМ**

UDC 347.73:336.144

УДК 347.73:336.144

R. S. Svystovych, Candidate of Juridical Sciences

P. С. Свистович, к. ю. н.

**THE LEGAL BASIS  
FOR MACROFINANCIAL BUDGETING****ПРАВОВІ ЗАСАДИ  
МАКРОФІНАНСОВОГО БЮДЖЕТУВАННЯ**

**Urgency of the research.** The European vector of integration development of Ukraine has actualized the issue of improving the legal and regulatory framework for macroeconomic budgeting.

**Target setting.** Implementation of the budget process of macrofinancial budgeting involves the availability of appropriate regulatory and methodological justification.

**Actual scientific researches and issues analysis.** Contribution to the research and development of scientific and methodological principles of management of budget resources was made by Bogdan I. V., Babych T. S., Hasanov S. S., Zhyber T. V., Zapatrina I. V., Efimenko T. I., Kudryashov V. P., Fedosov V. M., et al.

**Uninvestigated parts of general matters defining.** Dynamic changes in the socio-economic environment make it necessary to study the impact of new legislative initiatives on managing budget funds.

**The research objective.** To study the legal-scientific and methodical principles of implementing macro-financial budgeting in the practice of managing budget expenditures.

**The statement of basic materials.** Macrofinancial budgeting should be based on legally regulated long-term strategic planning, medium-term budget planning, program-target budgeting, budget program performance monitoring, transparency of spending of budget funds and accountability of spending units to executive, legislative and public authorities.

**Conclusions.** The legal regulation of the connection of strategic macroeconomic planning with budget plans and their independent expertise, preparation of several scenarios of macroeconomic forecasts, regulation of procedures for adjusting budget indicators, and limiting expenditures will facilitate the avoidance of risks of macrofinancial budgeting.

**Keywords:** Budget Code; legal framework; budget; program-target budgeting.

**DOI:** 10.25140/2410-9576-2018-1-1(13)-196-200

**Актуальність теми дослідження.** Європейський вектор інтеграційного розвитку України актуалізує питання вдосконалення нормативно- правової бази макроекономічного бюджетування.

**Постановка проблеми.** Впровадження в бюджетний процес макроекономічного бюджетування передбачає наявність відповідного нормативно-правового, методичного підґрунтя.

**Аналіз останніх досліджень і публікацій.** Внесок в розробку наукових засад управління бюджетними ресурсами зробили Богдан І. В., Бабич Т. С., Гасанов С. С., Жибер Т. В., Запатріна І. В., Єфіменко Т. І., Кудряшов В. П., Федосов В. М. та ін.

**Виділення недосліджених частин загальної проблеми.** Динамічні зміни соціально-економічного середовища обумовлюють необхідність дослідження впливу нових законодавчих ініціатив на управління бюджетними коштами.

**Постановка завдання.** Дослідити нормативно-правові та науково-методичні засади впровадження макроекономічного бюджетування в управління бюджетними коштами.

**Виклад основного матеріалу.** Макроекономічне бюджетування повинно базуватись на законодавчо врегульованих засадах довгострокового стратегічного планування, середньострокового бюджетного планування, програмно-цільового бюджетування, контролю за результативністю бюджетних програм, прозорістю витрачання бюджетних коштів і підзвітністю розпорядників бюджетних коштів перед виконавчою, законодавчою владою та громадськістю.

**Висновки.** Уникненню ризиків макроекономічного бюджетування сприятиме законодавча врегульованість зв'язку стратегічного макроекономічного планування з бюджетними планами та їх незалежна експертиза, складання декількох сценаріїв макроекономічних прогнозів, регламентація процедур коригування показників бюджетів, лімітування видатків.

**Ключові слова:** Бюджетний кодекс; нормативно-правова база; бюджет; програмно-цільове бюджетування.

**Urgency of the research.** The European vector of integration development of Ukraine actualized the issue of improving the legal and regulatory framework for budget planning, macro-financial budgeting and its approximation to EU standards. The Government approved the Strategy for the reform of the public finance management system for 2017-2020, which identified the main directions of the development of the public finance management system, in particular, it envisages that introduction of a comprehensive strategic planning system that will include strategic plans for socio-economic development, strategic budget planning, medium-term budget planning; eliminating the obstacle for full use of the program-target budget planning method; introduction of fiscal constraints and increase their predictability, etc. These measures will promote the creation of conditions for the introduction of macro-finance budgeting technologies, the effectiveness of which has been proven in the use of developed countries in Europe and the world [1]. Implementation of this Strategy is possible provided that

---

**ЕКОНОМІКА ТА УПРАВЛІННЯ НАЦІОНАЛЬНИМ ГОСПОДАРСТВОМ**

---

appropriate changes are made to the legal acts regulating the system of management of the budget resources of the state. In this context, the indicated direction of research is one of the key to the implementation of the Strategy.

**Target setting.** The management system in the budgetary sphere is most strictly regulated by regulatory acts. However, the improvement of technology of planning the expenditures of state and local budgets, the introduction of foreign experience in macrofinancial budgeting requires the introduction of comprehensive changes to the current system of budget planning, the regulation of the respective responsibilities of central executive bodies and key spending units, compliance with transparency and accountability requirements in budget management funds, which, in turn, implies the existence of a normative legal, methodological basis for the development of systems and management of budget resources. The importance of this problem is also determined by the requirements of the EU and other international partners to improve the efficiency of the functioning of the country's budget sphere.

**Actual scientific researches and issues analysis.** A significant contribution to the research and development of scientific-methodological and practical principles of budget resources, including improvement of legal regulation of public-sector financial risk identification and assessment of their impact on public finances, introduction of technologies of macro-financial budgeting, etc. were made by Bogdan I. V., Babich T. S., Hasanov S. S., Zhiber T. V., Zapatrina I. V., Efimenko T. I., Kudryashov V. P., Lunin I. A., Fedosov V. M. et al.

**Uninvestigated parts of general matters defining.** Dynamic changes in the socio-economic, legal, and political environment require the study of the impact of new legislative initiatives on the management of budget funds.

**The research objective.** To study the legal-scientific and methodical principles of implementing macro-financial budgeting in the practice of managing budget expenditures.

**The statement of basic materials.** Budgetary funds management is a complex process that affects the interests of virtually all sectors of society. This explains the rigid legal framework that regulates this process. However, practical experience shows the need for the scientific substantiation of new approaches, technologies, forms and methods of public funds, improvement of the legal basis of their application that provided Strategy for reform of public financial management in 2017-2020 years. It is possible to generalize the main shortcomings of management of budget funds, which determine the low efficiency of fiscal policy, which generates risks not only for public finances, but also for the functioning of the entrepreneurial sector of the economy and the population.

Unresolved issues include:

1) low level of predictability of the state budget and frequent changes in its parameters as a result of the absence of objective, independent forecasts of the dynamics of macroeconomic indicators of the country's development;

2) the lack of links between budget programs and priorities of state development due to the fact that strategic forecasting is fragmentary and does not encompass the main parameters of macroeconomic, social, ecological development;

3) the practice of one-year budget planning that concentrates the attention and resources of society on solving current problems, often conditioned by the conjunctural interests of the party groups, without taking into account the strategic development goals;

4) formal use of the program-target method of planning in the budget process, which makes it impossible for the public to assess the quality and efficiency of public services and the activities of budget funds managers;

5) failure to comply with the Articles of the Budget Code of Ukraine due to lack of normative and methodological support for their implementation;

6) the absence of a unified system of state strategic documents - types, hierarchy, subordination, period and degree of detail planning, as well as the lack of consensus at the political level regarding the division of powers, both in terms of the development and approval of such documents, and in terms of responsibility for their implementation [1].

To improve the interaction of the participants in the budget process, increase the efficiency of the use of budget funds aimed at macrofinancial budgeting, tested in the developed countries of the world.

---

**ЕКОНОМІКА ТА УПРАВЛІННЯ НАЦІОНАЛЬНИМ ГОСПОДАРСТВОМ**

---

Ukraine also created some preconditions for their widespread introduction into the practice of managing budget funds. As managerial financial technology, macrofinancial budgeting involves the formation of budgetary expenditures based on well-defined long-term priorities of the country's development and public finances, the calculation of the efficiency of budget expenditures and operational management of programs to achieve the goals [2, p. 7].

In such an interpretation, macrofinancial budgeting as a component of fiscal management should be based on legally regulated long-term strategic planning, medium-term budget planning, program-target budget planning, budget implementation control, transparency of information on spending of budget funds and accountability of spending units to the executive, legislature and the public. Let's consider in more detail a description of the basic prerequisites for the introduction of macrofinancial budgeting.

Legislation of Ukraine [3] provides for the development of a system of forecast and program documents of economic and social development, which consists of forecasts of economic and social development of Ukraine in the medium and short-term periods; forecasts for the development of certain sectors of the economy in the medium-term (5 years), etc. The next step should be the legislative design of the strategic planning practice, which requires the regulation of procedures for the development, approval, validation, adjustment, etc. The identified priorities of the strategic plan will form the basis for the justification and adoption of budget programs.

The adopted law [4] on the introduction of medium-term budget planning plays an important role in creating the principles of macrofinancial budgeting. The law provides for the development of a medium-term forecast for three years, based on which the fiscal policy for 2018-2020 will be built, taking into account realistic macroeconomic indicators, which in turn will increase the reliability of budget indicators for the medium-term perspective. Budget planning on the basis of the "slippery triennial" significantly increases its quality, provides predictability of fiscal policy, allows for adjustments taking into account changes in the macroeconomic situation or other factors, but with a serious justification for these changes. However, the Law does not specify the procedure for updating the macroeconomic indicators and the mechanism for making changes that threatens their full revision.

In this context, it is necessary to take into account the experience gained in European countries, which use medium-term budget planning in the management of public finances. The IMF identified such basic preconditions for implementing the medium-term system budget planning: the availability of credible and reliable macroeconomic forecasting for the medium term; execution of the annual budget precisely according to the plan; continuity of medium-term fiscal goals; a unified budget, which includes all the appropriate financial flows of the government [5]. To adhere to such conditions in the national practice of budget planning is extremely difficult in view of delaying reforms in the field of general government, the tax system, budget decentralization, changing approaches to budget expenditures, taking into account the volume of services, etc.

However, this law created a legal framework for the introduction of mid-term macro-financial budgeting, which will encourage key managers to adhere to certain priorities in the field of public expenditures, increase their responsibility for efficient and rational use of budget funds, and increase overall budgetary control. The well-defined priorities of socio-economic development and fiscal policy for a three-year period allow the main spending units to form their medium-term programs with the definition of the amount of funds needed to achieve their goals, and, on the other hand, increase the transparency and efficiency of spending budget funds. The transition to medium-term budget planning enables the participants in the budget process to reconcile their strategic plans of activities with available financial resources both within the framework of the preparation of the draft budget for the relevant year and subsequent periods, which facilitates the transition to the formation of long-term fiscal policy and the system of budget programs aimed at defined priorities.

At the same time, it is necessary to take into account the risks that may arise in the mid-term macrofinancial budgeting process associated with overstatement of forecast indicators of economic development, and hence budget revenues, expenditures. Avoidance of such risks will be facilitated by the compilation of several scenarios of macroeconomic projections, which will allow the use of the most adequate fiscal instruments, fiscal consolidation directions, or the introduction of expenditure

## ЕКОНОМІКА ТА УПРАВЛІННЯ НАЦІОНАЛЬНИМ ГОСПОДАРСТВОМ

limits on the example of the EU. An important role is played by the legislative regulation of the relationship of strategic macroeconomic planning with budget plans.

In connection with the adoption of a number of legal acts [6; 7; 8], positive changes took place in the application of the program-target method in the budget process. In accordance with the Budget Code of Ukraine, the budget program is a set of measures aimed at achieving a single goal, tasks and expected result, the definition and implementation of which is carried out by the manager of budget funds in accordance with its functions [9].

The essence of the program-target method of budget planning is the priority planning of the result, which must be achieved when using budget funds, planning results for the long-term period, transparency in expenditures of budget funds [10, p. 88-89]. The budget program passport defines the purpose, tasks, directions of using budget funds, responsible executors, performance indicators, etc. [7].

Summarizing the above, we conclude that macrofinancial budgeting, which is based on the development of a system of budget programs and the realization of their tasks, has essentially acquired the features of program-targeted budgeting. Application of technologies for program budgeting started with the help of international projects since 2002, but in the absence of relevant scientific, legal and methodological developments, delayed reforms, this technology has not become mandatory in the budget process.

Legislative introduction of medium-term budget planning provides a new quality for program budgeting by expanding the horizons of budget program indicators, adhering to terms of implementation of innovation and investment projects, forecasting financing conditions, and responsibility of key spending units for the results of program implementation. The introduction of continuous monitoring of the implementation of programs with subsequent assessment of their effectiveness and assessment of the effectiveness of the main spending units in achieving their strategic goals of their plans will increase transparency of cash flows in the budget sphere, discipline and responsibility of the participants in the budget process.

**Conclusions.** The course to improve the management of budget resources in the long run is associated with the active use of modern technologies of macrofinancial budgeting. The practical implementation of this course is based on the consolidation in the regulatory and legal acts of complex changes in the system of public administration in general and in the budget sphere. The legal regulation of the connection of strategic macroeconomic planning with budget plans and their independent expertise, preparation of several scenarios of macroeconomic forecasts, regulation of procedures for adjusting budget indicators, and limiting expenditures will contribute to avoidance of risks of macrofinancial budgeting.

### References

1. Rozporiadzhennia KМУ pro Stratehiu reformuvannia systemy upravlinnia derzhavnymy finansamy na 2017–2020 roky vid 08 Liutoho 2017 r., № 142-r [Order of CMU on Strategy for reforming the public finance management system for 2017-2020: from February 08, 2017, № 142-r]. [www.kmu.gov.ua](http://www.kmu.gov.ua). Retrieved from <http://www.kmu.gov.ua/control/uk/cardnpd?docid=249797370> [in Ukrainian].
2. Babych, T. S. & Zhyber, T. V. (2011). *Makrofinansove biudzhetuвання [Macroeconomic Budgeting]*. V. M. Fedosov (Ed.). Kyiv: KNEU [in Ukrainian].
3. Zakon Ukrainy Pro derzhavne prohnozuvannia ta rozroblennia prohram ekonomichnoho i sotsialnoho rozvytku Ukrainy: vid 16 Zhovtnia 2012, № 5463-VI (5463-17) [Law of Ukraine On state forecasting and development of programs of economic and social development of Ukraine: from 16.10.2012, № 5463-VI (5463-17)]. [zakon.rada.gov.ua](http://zakon.rada.gov.ua). Retrieved from <http://zakon0.rada.gov.ua/laws/show/1602-14> [in Ukrainian].
4. Zakon Ukrainy Pro vnesennia zminy do rozdiliv VI "Prykintsevi ta perekhidni polozhennia" Biudzhethnoho kodeksu Ukrainy shchodo zaprovadzhennia

### Література

1. Стратегія реформування системи управління державними фінансами на 2017–2020 роки [Електронний ресурс]: розпорядження КМУ від 08.02.2017 р. № 142-р – Режим доступу: [http://www.kmu.gov.ua/control/uk-cardnpd?docid=249797370](http://www.kmu.gov.ua/control/uk/cardnpd?docid=249797370).
2. Бабич, Т. С. Макрофінансове бюджетування: навч. посіб. / Т. С. Бабич, Т. В. Жибер; за наук. ред. д-ра екон. наук, проф. В. М. Федосова. – К.: КНЕУ, 2011. – 311 с.
3. Про державне прогнозування та розроблення програм економічного і соціального розвитку України [Електронний ресурс]: Закон України : від 16.10.2012, № 5463-VI (5463-17). Режим доступу: <http://zakon0.rada.gov.ua/laws/show/1602-14>.
4. Про внесення зміни до розділу VI "Прикінцеві та перехідні положення" Бюджетного кодексу України щодо запровадження середньострокового бюджетного планування [Електронний ресурс]: закон України від 23.03.2017 № 1974-VIII – Режим доступу: <http://zakon3.rada.gov.ua/laws/show/1974-19>.
5. Богдан, Т. П. Середньострокове бюджетне планування в Україні: системна сутність, функції, структурні елементи. / Т. П. Богдан / Фінанси України. - 2017. - № 6. -



**ЕКОНОМІКА ТА УПРАВЛІННЯ НАЦІОНАЛЬНИМ ГОСПОДАРСТВОМ**

serednostrokovoho biudzhethnoho planuvannia: vid 23 Bereznia 2017, № 1974-VIII. [Law of Ukraine On Amendments to Section VI "Final and Transitional Provisions" of the Budget Code of Ukraine on the Introduction of Medium-Term Budget Planning: from March 23 2017, № 1974-VIII]. *zakon.rada.gov.ua*. Retrieved from: <http://zakon3.rada.gov.ua/laws/show/1974-19> [in Ukrainian].

5. Bohdan, T. P. (2017). Serednostrokovoe biudzhethne planuvannia v Ukraini: systemna sutnist, funktsii, strukturalni elementy. [Medium-term budget planning in Ukraine: systemic essence, functions, structural elements]. *Finansy Ukrayiny - Finance of Ukraine*, 6, 7-25 [in Ukrainian].

6. Rozporiadzhennia Kabinetu Ministriv Ukrainy Pro skhvalennia kontseptsii zastosuvannia prohramno-tsilovoho metodu v biudzhethnomu protsesi: vid 14 Veresnia 2002 r., № 538-r [Order of the Cabinet of Ministers of Ukraine On approval of the concept of application of the program-target method in the budget process: from September 14 2002, № 538-r]. *zakon.rada.gov.ua*. Retrieved from <http://zakon2.rada.gov.ua/laws/show/538-2002-p> [in Ukrainian].

7. Nakaz MFU pro Pravyla skladannia pasportiv biudzhethnykh prohram mistsevykh biudzhethiv ta zvitiv pro yikh vykonannia: vid 26 Serpnia 2014 r., № 836 [Order of the MFU on Rules for drawing up passports of budget programs of local budgets and reports on their implementation: from August 26 2014, № 836]. *zakon.rada.gov.ua*. Retrieved from <http://zakon3.rada.gov.ua/laws/show/z1387-16/paran92#n92> [in Ukrainian].

8. Nakaz MFU pro Zahalni vymohy do vyznachennia rezultatyvnykh pokaznykiv biudzhethnykh prohram: vid 10 Hrudnia 2010, № 1536 [Order of the MFU on General requirements for the definition of effective indicators of budget programs: from December 10 2010, № 1536]. *zakon.rada.gov.ua*. Retrieved from <http://zakon3.rada.gov.ua/laws/show/z0771-15/paran17#n17> [in Ukrainian].

9. Biudzhethnyi kodeks Ukrainy [Budget Code of Ukraine]. (October 06, 2016). *zakon.rada.gov.ua*. Retrieved from <http://zakon3.rada.gov.ua/laws/show/2456-17> [in Ukrainian].

10. Kovalenko, L. O., Zelenskyi, S. M., Zabashtanskyi, M. M. (2011). *Byudzhethnyy menedzhment [Budget Management]*. L. O. Kovalenko (Ed.). Kyiv: Vydavnychiy Dim "Slovo" [in Ukrainian].

С. 7-25.

6. Про схвалення концепції застосування програмно-цільового методу в бюджетному процесі [Електронний ресурс]: розпорядження Кабінету Міністрів України від 14.09.2002 р. № 538-р - Режим доступу: <http://zakon2.rada.gov.ua/laws/show/538-2002-p>.

7. Правила складання паспортів бюджетних програм місцевих бюджетів та звітів про їх виконання [Електронний ресурс]: наказ МФУ № 836 від 26.08.2014 р. (із змінами, внесеними згідно з Наказами МФУ № 860 від 30.09.2016 ; № 472 від 28.04.2017) – Режим доступу: <http://zakon3.rada.gov.ua/laws/show/z1387-16/paran92#n92>

8. Загальні вимоги до визначення результативних показників бюджетних програм [Електронний ресурс]: Наказ МФУ 10.12.2010 № 1536 (у редакції наказу МФУ від 15.06.2015 № 553) – Режим доступу: <http://zakon3.rada.gov.ua/laws/show/z0771-15/paran17#n17>.

9. Бюджетний кодекс України [Електронний ресурс]: документ 2456-17, поточна редакція від 06.10.2016, підстава 1509-19 - Режим доступу: <http://zakon3.rada.gov.ua/laws/show/2456-17>.

10. Коваленко, Л. О. Бюджетний менеджмент: навч. посіб. / Л. О. Коваленко, С. М. Зеленський, М. М. Забаштанський; під загальною ред. Л. О. Коваленко. – К. : Видавничий Дім "Слово", 2011. – 416 с.

Received for publication on 25.12.2017

**Бібліографічний опис для цитування :**

Svystovych, R. S. The legal basis for macrofinancial budgeting / R. S. Svystovych // Науковий вісник Полісся. – 2018. - № 1 (13). Ч. 1. - С. 196-200.