FINANCIAL ASPECTS OF THE PROGRAM OF INNOVATION DEVELOPMENT OF TERRITORIES IN CONDITIONS OF DECENTRALIZATION

Abstract. The systemic crisis in the sphere of socio-economic development of territories is a consequence of the lack of a modern management mechanism for the development of territorial communities, which is based on the corresponding development programs.

Despite the depth of studying of these scientific studies, the financial aspects of developing programs for the innovative development of territories in the conditions of financial independence of local government bodies require detailed consideration.

Focused attention of researchers on the problems of management of territorial development. Attracted attention to the necessity of creating a mechanism for funding work on the development of relevant programs. It is determined that without such mechanism it is impossible to create and effectively implement territorial development programs at all levels of the administrative-territorial system of the country. All elements of the process of territorial development programming that are in need of financing are considered and which should be considered such a separate cost items of the corresponding estimate. On the basis of foreign experience (first of all the USA), it is proposed to create a nation-wide network of state information and consulting (advisory) services that would be the implementers and coordinators of work on the development of territorial development programs. It is determined that the financing of the development of territorial development programs should be carried out precisely through such services, which will ensure the efficiency and transparency of this process in conditions of financial decentralization and creation of united territorial communities in Ukraine. The proposed basic model of the process of programming the innovative development of joint territorial communities will ensure the effectiveness and transparency of this process in the context of financial decentralization.

Keywords: program, innovation development, territorial development, financing, decentralization, united territorial communities.

JEL Classification: O38, R10, R51

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ФІНАНСОВІ АСПЕКТИ РОЗРОБКИ ПРОГРАМ ІННОВАЦІЙНОГО РОЗВИТКУ ТЕРИТОРІЙ В УМОВАХ ДЕЦЕНТРАЛІЗАЦІЇ

Анотація. Системна криза у сфері соціально-економічного розвитку територій є наслідком відсутності сучасного механізму управління розвитком територіальних громад, який базується на відповідних програмах розвитку. З огляду на це актуальним є поглиблене дослідження проблематики фінансування процесу розроблення програм територіального розвитку, а також обґрунтування системи практичних рекомендацій щодо дієвого механізму фінансування процесу розроблення програм територіального розвитку в Україні.

Незважаючи на глибоку розкриття цих наукових досліджень, детальнішого розгляду потребують фінансові аспекти розробки програм інноваційного розвитку територій в умовах фінансової незалежності органів місцевого самоврядування. Для досягнення мети необхідно узагальнити теоретичні та методологічні засади розробки програм територіального розвитку та обґрунтувати вдосконалення процесу фінансування розробки програм інноваційного розвитку територій.

Сфокусована увага дослідників проблем управління територіальним розвитком на необхідності створення механізму фінансування робіт з розроблення відповідних програм. Визначено, що без такого механізму неможливе створення та ефективне виконання програм територіального розвитку на усіх рівнях адміністративно-територіального устрою країни. Відмічене, що фінансування процесу розроблення програм територіального розвитку доцільно здійснювати саме через створену загальнонаціональну мережу державних інформаційно-консалтингових (дорадчих) служб, що забезпечить ефективність і прозорість даного процесу в умовах фінансової децентралізації та створення об’єднаних територіальних громад в Україні.

Ключові слова: програма, інноваційний розвиток, фінансування, децентралізація, об’єднані територіальні громади.

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ФИНАНСОВЫЕ АСПЕКТЫ РАЗРАБОТКИ ПРОГРАММ ИННОВАЦИОННОГО РАЗВИТИЯ ТЕРРИТОРИЙ В УСЛОВИЯХ ДЕЦЕНТРАЛИЗАЦИИ

Аннотация. Сфокусировано внимание исследователей проблемам управления территориальным развитием на необходимости создания механизма финансирования работ по разработке соответствующих программ. Определено, что без такого механизма невозможно создание и эффективное выполнение программ территориального развития на всех уровнях административно-территориального устройства страны. Отмечено, что финансирование процесса разработки программ территориального развития целесообразно осуществлять именно через созданную общенациональную сеть государственных информационно-консалтинговых (консультационных) служб, это обеспечит эффективность и прозрачность данного процесса в условиях финансовой децентрализации и создания объединенных территориальных общин в Украине.

Ключевые слова: программа, инновационное развитие, территориальное развитие, финансирование, децентрализация, объединенные территориальные сообщества.

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Problem statement. The urgency of the scientific and practically applied study of the problem of financing the work on the development of territorial development programs is due to a number of factors, among which the main are: lack of proper funding of programs, lack of transparency and uncertainty of financing procedures, uncertainty with sources and procedures for financing the territorial development programs. And if concern for the first two of the above aspects of funding development of territorial development programs there is a certain information field and a certain level of scientific understanding of problems (in the context of the general problems of the methodology of program development), then concern of the third aspect, namely, the financing of program development work — research are missing. The reason might be the lack of a practical need for such a study. However, this is not the case, since it is directly relating to the quality of planned work, and it cannot conceptually be in condition of the absence or incomprehensibility of financing these works.

Taking into account the above concern, the relevance of the chosen topic is determined by the fact that the initial stage of economic development based on the corresponding programs and based on the quality of the process of developing these programs. Its provision is impossible without proper funding. This process should be more accurately and properly defined in a wider context as the financing of the process of managing the territorial development program from the beginning of its process of development to receiving and evaluating the results of the program implementation.

Review of recent publications. Problems of the formation of a modern management system for the development of territorial communities in Ukraine were the subject of research in scientific works of such national scientists as M. Baymuratov, O. Batanov, V. Campo, V. Kravchenko [1], M. Orzikh, V. Pogorilko, O. Frytsky [2] and many others. They considered various aspects of the functioning of the mechanism for managing the development of territorial communities, offered their own approaches to improving this mechanism. The financial aspects of the issues of management of the development of territorial communities are reflected in the writings of such scholars as V. Baretsky, O. Vasilik, V. Kravchenko, O. Matveyeva [3], L. Sukharskaya and others [4]. However, in the research of scientists today, the issue of financing is considered in the financing of the implementation of programs, insufficient attention is paid to the system of financing the process of development of territorial development programs.

Unresolved issues. In the scientific literature, the issue of methodology for developing programs for the management of the development of territorial communities is being explored by a large number of scholars, however, its researches do not consider such aspect as financing of the development process of territorial development programs. It should be noted that this issue is also not the subject of the study of foreign scholars. The reason for this is that in developed countries
have long-established and stable functioning mechanism for financing the development of territorial development programs, which is mainly provided by public finances, and it is an instrument for implementing the state regional policy through the state information and consulting (advisory) service, and accordingly it is not is the subject for a scientific discussion. Unfortunately, the simple transplantation of this mechanism in Ukraine is impossible today, because systems of public administration conceptually are different, it’s have different historically formation.

**The goal of this research** is to update the research on the financing of the process of development of territorial development programs through the consideration of the development stages and processes of development that need financing.

It is expected that this publication will form the basis for further research, which will ultimately create an effective mechanism for financing the development of territorial development programs in Ukraine. Taking into account fact underdevelopment of the territorial development programming system in Ukraine as a whole, in the study, the methodology for developing territorial development programs will be considered such based on the highly effective programming methodology used in the United States. As noted, a clear mechanism for financing the development of programs at all its stages will ensure the new quality of these programs and responsible innovative approaches to their implementation, which ultimately will ensure a high level of territorial development efficiency in conditions of financial decentralization

**Key research findings.** As a result of the research, it has been established that everything related to the financing of territorial development programs in Ukraine is focused on financing the works provided for by the program (which has already been developed or should be developed). The issue of financing the work on developing the program, managing its implementation and evaluating the results is not regulated at all. The situation is similar to the one when we plan to ride a car somewhere, we pay attention to the question of the availability of a car, its condition and cost, and completely ignore the issue of the driver of the car and his ability to manage it. In such a situation, it is very difficult to expect results, that is, to arrive at the final destination, which is the result of the territorial development program. The system of legislation on urban planning states that «... financing of works on the planning of territories at the state level, the development of regulatory documents on planning and development of territories, the implementation of priority research work is carried out at the expense of the State Budget of Ukraine.» Accordingly, it is determined that financing of works on planning of territories of local subordination is carried out at the expense of local budgets [5]. However, in this case we are talking about spatial planning, which is no means a programming of territorial development.

In the «Procedure for the Development and Implementation of State Target Programs», is determined that in the development of the program in the section «Amounts and sources of financing» are detailed calculations of the required projected amounts of financing of the program activities from different sources, broken down by years, are provided. It also provides justification for the real possibilities of financing the program at the expense of the state budget (taking into account the projected figures of the consolidated budget of Ukraine for the main types of income, expenditures and financing for subsequent years), local budgets and other sources) [6]. However, at the same time, there is no financing order for work on the development of state target programs.

In the Decree of the Cabinet of Ministers of Ukraine of November 16, 2016, No. 827 «The Procedure for using the funds provided for in the state budget to support regional policy» states that «... budget funds are used to implement measures to support the implementation of reforms in the field of regional development and promote decentralization of power in accordance with the tasks of the State Strategy for Regional Development for the period up to 2020, approved by the Resolution of the Cabinet of Ministers of Ukraine dated August 6, 2014 No. 385 (Official Gazette of Ukraine, 2014, No. 70, p. 1966), a plan of measures for 2015-2017 on the implementation of the State Strategy for Regional Development for the period up to 2020, approved by the Resolution of the Cabinet of Ministers of Ukraine dated October 7, 2015, No. 821 «Some Issues of Implementation of the State Strategy for Regional Development for the period of 2015-2017 till 2020 »(Official Bulletin of Ukraine, 2015, No. 83, item 2752), and regional development programs,
approved by the decision of the Cabinet of Ministers of Ukraine dated October 7, 2015, No. 821, namely for ...» (hereinafter referred to as the list of directions the use of funds, among which is the implementation of programs regional development and other areas (only 7), but there is nothing that would be related to the need to finance the development of regional development programs) [7].

In the «Form of an investment program, a regional development project claiming funding from the State Fund for Regional Development (DFRD)», it is required to calculate and report data on: the expected amount of financing of the project from the DFRD; the amount of co-financing of the project [8]. Programs and projects implemented at the expense of the DFRD are subject to co-financing from local budgets at the level of 10% [9]. That is, again, there is a financing order of the program (project) and there is no order of financing for the development and maintenance of the program.

Consider which of the work on the development and maintenance of the territorial development program will require both appropriate funding and the established order of provision of this financing. After all, understanding the content of work determines the need for its financing. Without this understanding, this work is interpreted as a «writing program» as a document, respectively, employees of the territorial administration within their responsibilities write the program as a document that reduces the quality of the program and is not be taken as a program management process at all. As a result, the program without proper training and management system is not properly implemented and does not provide the expected results in the field of territorial development.

The territorial development program is a system of targeted and pre-planned activities designed to meet the important and urgent needs of the population and territorial communities. The term «program» refers directly to the final result achieved through all activities of the territorial administration bodies, involving civil society and the clients (target group), on which the program is oriented [10]. Programming of territorial development is defined as a process of constant and joint activity of the system of territorial administration bodies during which problems are identified, tasks are set and work to achieve the planned tasks is carried out.

The planning process (territorial development program – author) begins with a strategic platform that represents a long-term strategic part. The operational component consists of component (economic, social and environmental) development plans and an operational short-term part, consisting of a plan of implementation, a financial plan, a monitoring and evaluation plan, and a plan for capacity building (capacity building) [11].

In the process of programming the territorial development select eight major stages of the activity, of which it is formed. Consider the logic of implementing the programming process in graphical form (Fig. 1).

The process of territorial development programming, as the work to be provided with the relevant resources, and as a financing object, is generally divided into two main stages: the first one — planning the program (stages from one to four). The second one is the implementation of the program (steps from five to seventh, including the ones outlined above). Eighth stage – evaluation of the final results of the program combines the two stages of programming, as its process evaluates both planning and implementation, in meaning all the previous seven steps.

The process of evaluating the final results involves conducting a procedure for collecting actual data on the implementation of the program, and this process goes into the data collection process as the start of the planning of a new territorial development program. This stage is a link between the previous and the next program, or in the case of ongoing territorial development programs (for example, the objects of such programs may be similar to the US programs, such agriculture development program, youth program, home economics, development of united territorial communities). From the time (calendar) point of view, the programming of territorial development in the United States is a continuous process that is carried out according to the cyclic - spiral principle with the designated executors and the procedure for financing works.
Planning (development, compilation) of the territorial development program is the process of creating a holistic system of separate heterogeneous parts that work together to achieve the desired goal [12]. The process of planning a territorial development program requires the appropriate financing of the above works includes elements such as: identification (through special research) of customer needs; documentation of the program; development of auxiliary materials of instructional nature; creation of a system for supporting the implementation of the program; development of the reporting system in the process of implementation of the program; creation of a system for the future evaluation of program performance [10].

The result of the activities of the authority of territorial administration, and first at all united territorial communities, based on a planned basis, is determined by the harmonious combination of the three main components of the process of territorial development: planning; documentation of the program; reporting and evaluation [13].

The logic of the combination of the three components of the rural development programming methodology can be shown schematically in Figure 2.

In the cyclical model of the process of development of the territorial development program, two main groups of people involved in the planning process are identified and require appropriate remuneration for the work on program planning: the first group is the managers, the second group — specialists, performers and program participants. In addition, representatives of civil society, business, and individual volunteers may be involved in the development of a territorial development program. The correct selection of participants in the group of developers of the program depends primarily on the staff of the territorial administration. It also depends on the proper orientation for the program group so that the involved individuals can use their existing expertise and experience to plan, execute and evaluate the program.

The main groups of factors determining the quality of the developed territorial development program are the following: organizational aspects of the activity of the territorial administration body; the needs of local communities and society as a whole; funding for development and management of the program; political aspects of solving a particular problem; personal interest and professionalism of program implementers.
The organizational structure of the territorial administration authorities affects the process of developing a program of territorial development through several areas:

- available to the territorial management body of a source of funds for implementation of development and implementation of development programs (pay attention to the fact that without such programs there is no management process, its imitation);
- level of professionalism and responsibility of the staff of the territorial administration body;
- the level of work and the nature of the contribution to the overall result of the regional branches of central government;
- since the bodies of the territorial administration are the leaders of the state policy of territorial development, then, accordingly, this policy can determine clearly defined types of programs.

The basis of the entire programming process of the bodies of territorial administration are the main directions of state regional policy, in the US they mean the term «national initiatives». Among the basic programs of work of territorial administration bodies that are strategic in nature and based on national initiatives in the United States, are the following: agriculture and entrepreneurship in rural areas; rational use of the resources of territorial communities, decentralization of local development management; economic development; family development and household management; youth development and network of youth clubs; management of natural resources; environmental protection; improving nutrition, diet and health.
It should be noted that there is a reverse relationship between the national initiatives of the government and the basic programs of the territorial administration. On the ground study the situation and make proposals to the government on the need to address the most acute problems of territorial communities, on the basis of which the relevant legislative and executive decisions of central bodies of state power are adopted as «initiatives».

In the short-term periods of time, the basic programs are implemented through the plans of the work of the territorial administration, covering certain, most significant aspects of a program. Examples of such short-term work plans include: quality and safety of food; water quality; work with «heavy» teenagers; economic reforms in local communities; development of leadership in territorial communities; management of the process of waste utilization; food safety.

Among the factors that have a decisive influence on the development of a program of territorial development, distinguish the following groups: social, historical, economic (including financial), educational, emotional, political and individual. These factors are «visible» on the example of a specific program or an example of the implementation of a specific program in a separate territorial community.

Identifying the needs of the program's clients is a systematic process of analyzing the nature of the discrepancy between what community members know and can do and what they need to know and do. This is one of the costliest parts of the process of developing a territorial development program. It should be borne in mind that the more methods used in studying the needs of the clients of the program are used, the more time and money is spent on carrying out this work. There are five main categories of methods for studying the needs of the clients of the territorial development program: survey method (questionnaire); analysis of indicators of social and economic development; group work; methods of forecasting; selective method [14].

The priorities of the territorial development program need to be established and reviewed at each of the following stages of the program planning process: the definition of the target audience, the identification of the needs for which the program is oriented, the establishment of methods and strategy of the program implementation, a system of activities as a schedule of work to achieve the expected results of the program implementation. Prioritization should not be an individual job, external partners of the territorial administration bodies involved and interested in implementing the program should be involved in this process. This work also involves the availability of appropriate funding.

Once the needs for a specific development program are identified and the program priorities are clearly formulated, the next step in the planning (planning) of the program is the identification of the target audience (clients) of the program and the methodology for meeting the needs, taking into account their specificity.

A competent presentation of the program as a planning document (program plan) is important. Unfortunately, not always understanding the goals and objectives is adequately reflected in writing. Written presentation of the tasks of the program allows to direct the efforts of participants of the program of different levels of participation in the program in the right direction. One program can have several interconnected tasks of different levels. The precise formulation of the program tasks is the main criterion on which the subsequent evaluation of program performance is based.

After presenting the tasks of the program in writing, it is recommended to use a list of questions for self-examination (self-assessment) of the correctness of the formulation of these tasks. This list can still be called «page of self-examination.»

After studying the needs of the inhabitants of the territorial communities, setting priorities, defining the target audience and describing the goals and objectives of the program should begin to design a work plan for the implementation of the program. This phase of the program consists of several components: the collection and systematization of resources necessary for the implementation of the objectives of the program, the choice of the contractor to perform the relevant work, the selection or purchase of necessary materials and drawing up schedules of work.

Scheduling the work is an effective tool that helps the employee of the territorial
management body to carry out all work on a planned basis, to organize the clear execution of both the general tasks and the conduct of individual events, to evaluate the results of the implementation of individual stages and the program as a whole.

In this regard, we can distinguish two main charts, which, in our opinion, should be accompanied by the two estimates for the implementation of planned work.

1. Schedule of work on compilation (planning) of the program.
2. Schedule of work on the implementation and evaluation of program results.

The second schedule can be divided into two schedules: respectively, performance and evaluation of the program.

The documentary results of the assessment provide an opportunity for administrators to objectively evaluate opportunities and contributions to the overall result of individual employees and increase the amount of financial resources involved in implementing territorial community programs from external sources.

Participation of involved people in the process of developing a territorial development program can be carried out in various forms of ongoing work and using a wide range of methods that have been described in this study as part of the needs study methodology. Such involvement may be volunteering or may require appropriate funding, which should be included in the financial plan for the development of the program. In practice, the following forms of work, such as commissions and temporary working groups (created for the period of solving a certain task of planned work, which has a tactical nature), are most commonly used to organize the work of the staff involved in the party. A critical aspect of this work is that before involving people it is necessary to clearly define the purpose of this engagement. A significant role is played by the proper level of funding and the organization of individual events - meetings and teamwork. Also, in any form of such collaborative work, it should be clear to the people involved that the main thing is that they are involved in the program design process in order to solve the problems of their own community and territory.

In the process of planning a territorial development program, there is a need to build partnerships between the territorial administration bodies and institutions, organizations, business associations and groups of people who are also interested in the implementation of this program. In practice, such a partnership has the form of a kind partnership coalition, which jointly makes the program effective influence on positive changes in society. It is possible to form this coalition on a spontaneous basis, but the effect of its activity is much higher for all partners, if the work is to use proven and scientifically based methods of affiliate work. Building and maintaining partnerships in the process of forming one or another territorial development program also requires adequate funding.

In the process of drawing up a new program of work of the territorial administration body, or in the process of drawing up a plan for a permanent subject program of development for the next calendar period, it is very important to find a balance of interests between the participants in the programming process. As noted, potential partners in the planning process can be different partners that can be categorized as follows: territorial management body (state body or local self-government body) as an organization; clients (target group) of the territorial development program; state institutions and organizations; non-governmental institutions and organizations.

The initiator and organizer of all planned work is the body of territorial administration. After all, it is he who is accountable and responsible, both for the state and for the people of the territory, for the results of program management for its development. In developed countries there are separate information and consulting structures under different names in different countries, but with the same purpose - they are state or those who position themselves as «semi-state». They are called advisory services, in the USA, for example, for the nation-wide network of such structures adopted the named «Extension». They coordinate all program activities between its different levels and directions in order to maximize the effective development of the territory, eliminate contradictions and duplication between programs of the national (state) level, programs of regional authorities and programs of local communities.
Agreed priorities and financial opportunities, appropriate training on the methodology of program development, comprehensive information and consulting assistance, scientific support of programs, ongoing monitoring of the process and development results are carried out. The availability of such information and consulting structures at various levels of government allows reducing the number of staff of the territorial management bodies involved in program development and optimizing the corresponding financial costs. The financing of the costs associated with the development of territorial development programs is concentrated in these information and consulting bodies, is transparent and provides high efficiency of territorial management in general. Such experience as the system of territorial management on a program basis and the model of financing of works related to the development and maintenance of territorial development programs are for Ukraine in the conditions of financial decentralization, creation of united territorial communities more than actual.

Conclusions. The development (planning) of territorial development programs on a scientifically sound basis is a critical aspect that determines the effectiveness of the territorial development management system for innovative development of territories and ensures optimal spending of financial resources allocated for the development of territorial communities. The main content elements of the program development and maintenance process that require funding are program planning, writing in it, execution, performance evaluation and rational organization of the reporting system.

Manage the territorial development program as a whole, as well as work on the development of the program, require an appropriate, transparent and understandable funding mechanism, without which, as practice shows, territorial development programs designed with bare enthusiasm are ineffective.

It is proposed to develop appropriate estimates, — financial plans for financial and organizational support of the process of development of territorial development programs.

In order to avoid problems with «dispersal» as an organizational effort to develop territorial development programs and appropriate funding, it is suggested to use foreign experience (first of all in the USA where this system is the most effective in the world) to develop programs and to create a centralized system of advisory services that will provide information and consulting support for the development of territorial development programs. The concentration of financial resources intended to finance the development of territorial development programs in a centralized structure — the advisory service, will ensure maximum transparency and effectiveness of their use.

Literature
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