

#### edited by Pronko Lyudmyla



SCIENTIFIC AND PRACTICAL PRINCIPLES OF DEVELOPMENT OF TERRITORIAL COMMUNITIES IN THE CONDITIONS OF DECENTRALIZATION OF POWER

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Monograph

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Baldynyuk V., Dmytrenko R., Furman I., Kolesnyk T., Feniak L., Pronko L., Bereziuk S., Shevchuk H., Tokarchuk D., Yaremchuk N., Zelenchuk N.

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The collection of scientific articles published is the scientific and practical publication, which contains scientific articles of students, graduate students, Candidates and Doctors of Sciences, research workers and practitioners from Europe and Ukraine. The articles contain the study, reflecting the processes and changes in the structure of modern science.

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#### **ABSTRACT**

Today, in the conditions of transformation of public consciousness, which is the source and driving force of changes in our society, it is the person with his needs and interests who is at the center of these changes and determines the vector of society as a whole. In the context of decentralization of power, which implies more rights and, consequently, responsibilities to local communities, their effective management requires well-considered and sound decisions.

The study of the state of rural development confirms the fact that only the integrated development of regions, including communities, ensure their stability and the most efficient use of resource potential. Well-considered decisions of community leaders will promote the development of entrepreneurship in the regions and the state as a whole. Balanced tax and credit policies will provide favorable conditions for the development of small and medium-sized businesses, which involve a significant part of the state's citizens.

In the future, the success of administrative reform will be determined by the extent to which local governments can effectively use the community's resource potential through a favorable local business environment, attract investment in regional development, create new jobs and develop infrastructure.

Therefore, the decisions made by local governments today must be adaptive and timely, and must be based on the basic provisions of the strategy of community development and the region as a whole, be comprehensive and systematic.

However, subjectivity and incompetence in decision-making by representatives of different levels of government an active demotivator for entrepreneurship, as it inhibits its development and the development of communities, respectively.

Such domestic scientists as Andriychuk V., Zabolotny G., Zakharchenko V., Kaletnik G., Kubay O., Mazur A., Mesel-Veselyak V., Shinkovych A., Sabluk P. and others, determined the prerequisites for creating highly effective territorial communities.

Theoretical developments and practical recommendations of these scientists were reflected in scientific works and directly in the implementation of administrative reform in our country. Scientists have created basic approaches to creating highly effective communities and their further development.

However, the novelty of the issue, the lack of practical experience of local government leadership in the effective management of newly created communities and the new challenges of today, require further research on this issue.

In order to increase the effectiveness of decisions at the level of territorial communities need further development and scientific substantiation of scientific and practical principles of development of territorial communities in the context of decentralization of power. According to the authors under these conditions, special attention should be paid to: the key factors that influence effective management decisions; features of building a rational organizational structure of local government; prerequisites for rational use of community resource potential; energy and food security issues, etc. This determines the relevance of this research.

The results of the presented research in the monograph are made within the initiative of the Department of Administrative Management and Alternative Energy Sources of Vinnytsia National Agrarian University "Ensuring the development of territorial communities in terms of local government reform" state registration number: 0122U002096. for 2022-2024.

#### TABLE OF CONTENTS

1.	Baldynyuk V. <sup>1</sup>	7
	NORMATIVE AND LEGAL REGULATION OF FOREIGN ECONOMIC ACTIVITY OF THE AGRO-INDUSTRIAL COMPLEX OF UKRAINE	
	<sup>1</sup> Department of Administrative Management and Alternative Energy Sources Vinnytsia National Agrarian University	
2.	Dmytrenko R. <sup>1</sup>	27
	STATE REGULATION OF «GREEN» CREATION JOBS IN THE PROCESS OF TRANSFORMATION TRANSFORMATIONS	
	<sup>1</sup> Department of Administrative Management and Alternative Energy Sources Vinnytsia National Agrarian University	
3.	Furman I. <sup>1</sup>	39
	IMPROVING THE ORGANIZATIONAL STRUCTURE OF LOCAL SELF-GOVERNMENT BODIES IN THE CONDITIONS OF DECENTRALIZATION OF POWER	
	<sup>1</sup> Department of Administrative Management and Alternative Energy Sources Vinnytsia National Agrarian University	
4.	Kolesnyk T.V. <sup>1</sup>	78
	SCIENTIFIC AND THEORETICAL ASPECTS OF MANAGEMENT OF PROEKTAMI AND PROGRAMS IN THE FIELD OF PUBLIC MANAGEMENT	
	<sup>1</sup> Department of Administrative Management and Alternative Energy Sources Vinnytsia National Agrarian University	
5.	Feniak L. <sup>1</sup>	95
	THE STATE OF THE HORTICULTURAL INDUSTRY IN UKRAINE AND THE ROLE OF STATE SUPPORT IN INCREASING ITS COMPETITIVENESS	
	<sup>1</sup> Department of Administrative Management and Alternative Energy Sources Vinnytsia National Agrarian University	
6.	Pronko L.1, Bereziuk S.1	116
	THEORETICAL ASPECTS OF EFFICIENCY OF MANAGEMENT ACTIVITY OF ADMINISTRATIVE SERVICE	
	<sup>1</sup> Department of Administrative Management and Alternative Energy Sources	
	Vinnytsia National Agrarian University	

1
ia
169
195
213
Е
239
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# 1. Normative and legal regulation of foreign economic activity of the agroindustrial complex of Ukraine

The current legislation stipulates that the regulation of foreign economic activity in Ukraine is carried out in order to: - ensure the balance of the economy and the balance of the domestic market of Ukraine;

- stimulation of progressive structural changes in the economy, including foreign economic relations of the subjects of foreign economic activity of Ukraine;
- creating the most favorable conditions for attracting Ukraine's economy to the world division of labor and bringing it closer to the market structures of developed foreign countries.

Ukraine independently forms the system and structure of state regulation of foreign economic activity to ensure: • protection of economic interests of the state and legitimate interests of entities foreign economic activity;

- creation of equal opportunities for subjects of foreign economic activity on development of all types of business activity irrespective of patterns of ownership and all directions of use of incomes and realization of investments;
- promotion of competition and elimination of monopolies in the field of foreign economic activity.

At the same time, the state and its bodies have no right to directly interfere in the foreign economic activity of the subjects of this activity, except in cases when such intervention is carried out in accordance with the legislation of Ukraine. At the same time, the Verkhovna Rada of Ukraine is the highest body that carries out state regulation of foreign economic activity. In the sphere of foreign economic relations, the competence of the Verkhovna Rada of Ukraine includes:

- adoption, amendment and repeal of laws relating to foreign economic activity;
- approval of the main directions of Ukraine's foreign economic policy;
- consideration, approval and change of the structure of bodies of state regulation of foreign economic activity;
- conclusion of international agreements of Ukraine in accordance with the laws of current legislation in accordance with the rules established by these agreements;

- approval of norms of obligatory distribution of foreign exchange earnings to the state and local councils of Ukraine, rates and conditions of taxation, customs tariff, customs duties and customs procedures in carrying out foreign economic activity;
- establishment of special regimes of foreign economic activity on the territory of Ukraine;
  - approval of lists of goods, the export and import of which is prohibited;
- deciding on the application of measures in response to discriminatory and / or unfriendly actions of other states, customs unions or economic groups by imposing a full / partial ban (full / partial embargo) on trade; deprivation of the most-favored-nation treatment or preferential special treatment.

In accordance with its powers, the Cabinet of Ministers of Ukraine: • takes measures to implement Ukraine's foreign economic policy in accordance with the laws of Ukraine;

- coordinates the activities of ministries, state committees and departments of Ukraine for the regulation of foreign economic activity; coordinates the work of trade missions of Ukraine in foreign countries;
- adopts regulations of the Department of Foreign Economic Activity in cases provided by the laws of Ukraine;
- negotiates and concludes intergovernmental agreements of Ukraine on foreign economic activity in cases provided by the laws of Ukraine on international agreements of Ukraine, ensures the implementation of international agreements of Ukraine on foreign economic activity by all state governing bodies subordinated to the Cabinet of Ministers of Ukraine; projects of foreign economic activity on a contractual basis;
- in accordance with its competence determined by the laws of Ukraine, submits to the Verkhovna Rada of Ukraine proposals on the system of ministries, state committees and agencies bodies of operational state regulation of foreign economic activity, whose powers may not exceed the powers of the Cabinet of Ministers of Ukraine. laws of Ukraine;
- ensures the compilation of the balance of payments, consolidated currency plan of Ukraine;

- takes measures to ensure the rational use of funds of the State Monetary Fund of Ukraine;
- ensures the implementation of the decisions of the United Nations Security Council on foreign economic activity;
- decides on the application of measures in response to discriminatory and / or unfriendly actions of other states, customs unions or economic groups by introducing a licensing regime.

Powers of the National Bank of Ukraine in the field of foreign economic activity relate to issues related to:

- storage and use of gold and foreign exchange reserves and other state valuables that ensure the solvency of Ukraine;
- representation of Ukraine's interests in relations with central banks of other states, international banks and other financial and credit institutions and conclusion of relevant interbank agreements;
- regulation of the exchange rate of the national currency of Ukraine to the currencies of other states;
- accounting and settlement of granted and received state loans and borrowings, conducting operations with centralized foreign exchange resources, which are allocated from the State Monetary Fund of Ukraine at the disposal of the National Bank of Ukraine.

He also acts as a guarantor of loans provided to foreign economic entities by foreign banks, financial and other international organizations secured by the State Monetary Fund and other state property of Ukraine.

The Ministry of Economic Development and Trade of Ukraine performs the following functions:

- ensures the implementation of a unified foreign economic policy in the implementation of subjects of foreign economic activity entering the foreign market, coordination of their foreign economic activity, including in accordance with international treaties of Ukraine;
  - controls the observance by all subjects of foreign economic activity of the

current laws of Ukraine and the terms of international agreements of Ukraine;

- conducts anti-dumping, anti-subsidy and special investigations in the manner prescribed by the laws of Ukraine;
  - performs other functions in accordance with the laws of Ukraine.

The bodies of revenues and fees carry out customs control in Ukraine in accordance with the current laws of Ukraine.

The Antimonopoly Committee of Ukraine monitors the observance of the legislation on the protection of economic competition by the subjects of foreign economic activity.

The Interdepartmental Commission on International Trade carries out operational state regulation of foreign economic activity in Ukraine in accordance with the legislation of Ukraine, as well as decides on violations and anti-dumping, antisubsidy or special investigations and anti-dumping, countervailing or special measures. discriminatory and / or unfriendly actions of other states, customs unions or economic groups within the competence defined by the laws of Ukraine.

In addition, certain powers to regulate foreign economic activity fall within the competence of local governments and their executive bodies, which act as subjects of foreign economic activity only through their created foreign economic commercial organizations that have the status of legal entities of Ukraine.

In modern agriculture, only through seeds and planting material are the achievements of selection progress realized in new varieties. The production of quality seed material is greatly influenced by the choice of favorable regions for the production of seed and planting material, the possibility of obtaining two crops of seed, compliance with cultivation technologies, the availability of qualified specialists in seed production. Today, seed exports account for about 10% of world domestic markets.

Its structure shows that the exported material is primarily seed, which has a good ratio between weight and selling price, as, for example, the seed of vegetable, ornamental, cereal and legume forage grasses; specially treated, which causes increased resistance; produced by complex selection methods, as a hybrid seed, which

accounts for 40% of total seed exports; has high ecological plasticity, ie hybrids and varieties are suitable for growing in different soil and climatic conditions. Twenty leading exporting countries account for about 80% of world seed exports.

Exports and imports of seed material are growing from year to year. In this regard, of great importance is the legal framework and its international harmonization of protection of ownership of the variety, the requirements for the quality of seed and planting material. To do this, there are a number of international organizations and agreements.

The use of high quality seed material is the most important condition for high yields. Therefore, in different countries there are special legal acts that regulate the requirements for the quality of seed in its production and trade, as well as control over their compliance.

Seed categories - primary sowing material, basic sowing material, certified sowing material. These categories are harmonized in Europe, North America and other regions according to the schemes of organization of economic cooperation and development.

Accession to international organizations, integration with European structures is one of the priorities of our country's foreign policy. The development and strengthening of economic relations with other countries, in particular in the field of seed production, Ukraine's entry as an equal partner in the international market requires its accession to relevant international organizations. One of the first steps in this direction was Ukraine's accession to the International Convention for the Protection of New Varieties of Plants and accession to the International Union for the Protection of New Varieties of Plants (UPOV), as well as Ukraine's membership in the International Federation of Seed Trade (FIS). Further formation of domestic selection and seed production, their entry into the international market in the countries of foreign countries and Eastern Europe and Western Europe, attracting foreign investment to create seed infrastructure, increase the competitiveness of Ukrainian agricultural seeds can not happen without membership. countries in the International Association for Seed Quality Control (ISTA) and access to seed certification schemes, which are the object of international

trade, the Organization for Economic Cooperation and Development.

Seed schemes organization of economic cooperation and development The purpose of seed schemes is to ensure the use of quality seeds in the participating countries. Seeds produced and processed in accordance with the schemes are accompanied by labels and certificates. Certification Organization for Economic Cooperation and Development is used for varieties that meet the requirements of DUS (difference, homogeneity and stability).

With the help of schemes in the process of reproduction, processing and others, the purity and originality of the variety is preserved. Variety certification schemes in international trade are recognized worldwide. 52 countries take part in them. There are seven seed schemes Organization for Economic Cooperation and Development (their observance is voluntary): cereals; cross-pollinated, other oil, bast crops; cereals; corn and sorghum; beet; vegetables; clover and similar species. Schemes are an officially recognized tool for certification and facilitate international seed trade.

However, a country participating in the schemes has the right to use the requirements only for exported seeds, and to use its own regulations in the domestic market. However, the use of internal market schemes can provide significant assistance to the national market and its competitiveness.

The Ukrainian State Inspectorate will be responsible for implementing the schemes. In order for the system to function, the government of each participating country designates a specific government agency to implement the schemes. Given the importance of Ukraine's accession to the Organization for Economic Cooperation and Development, the Ministry of Agrarian Policy, in a letter to the Secretary General of the Organization for Economic Cooperation and Development on 24 June 2008, announced Ukraine's intention to join the seed scheme, including the wheat and barley seed scheme, and schemes for corn and sorghum seeds. The Ukrainian State Seed Inspectorate will be the institution responsible for implementing the Organization for Economic Cooperation and Seed Development schemes. It must follow all the formal steps required by the accession procedure.

To date, the main provisions on varietal certification of seeds have been worked out together with representatives of the Organization for Economic Cooperation and Development. Ukraine has secured the prior support of member states of the Organization for Economic Cooperation and Development in joining the organization, and has developed a package of documents on the introduction of varietal certification of seeds in the country. Experts of the Interprofessional Union on Seed Production of France were sent to Ukraine to carry out the signed declaration and agreement between the Ministry of Agrarian Policy of Ukraine and the Ministry of Agriculture and Fisheries of the French Republic on cooperation in seed production, requirements of the Organization for Economic Cooperation and Development.

Experts of the Organization for Economic Cooperation and Development expressed a positive assessment of the work of the Ukrainian State Seed Inspectorate and the State Service for the Protection of Plant Variety Rights, made some comments on adapting the regulatory framework in the field of seed production to the requirements of the Organization for Economic Cooperation and Development

At the end of 2020, the European Parliament recognized the equivalence of the Ukrainian seed certification system in the EU. This decision greatly simplified the procedure of export shipments to Europe, and the positive consequences did not have to wait long. In the first 9 months of 2021, Ukraine exported 1,154 tons of grain crops to the European Union as seeds, which is 2.1 times more than in the same period last year.

Wheat and corn seeds are exported. Moreover, compared to last year, wheat exports started from scratch and rose to 328 tons. The main importing countries are the Czech Republic, Germany and Lithuania.

Agriculture is one of the most important sectors of the national economy of Ukraine, about 30% of fixed assets are concentrated here; almost a third of the total number of employees employed in the national economy; a third of national income is produced, 70% of retail turnover is formed. Agricultural products are one of the main export items. The comparative advantages of the Ukrainian economy are concentrated mainly in agriculture. According to experts, Ukraine is one of the countries with the

highest rating in terms of potential in agriculture. The main component of this potential is the concentration of the world's most fertile chernozems (over 65% of the country's soil cover), high enough qualifications and world-famous diligence of Ukrainian peasants. Given the intensification of development, Ukraine has very real opportunities to join the group of countries - major producers of agricultural products.

With regard to agriculture, there are problems in Ukraine, which are manifested in the absence or delay of the necessary economic information that would characterize the real state of affairs.

To confirm this, the following should be determined.

- 1. Each year for the first 4-5 months there is only preliminary information on the economic efficiency of production of major crops.
- 2. There are shortcomings in the availability of data on the cost structure of major products. However, since 2005 the cost structure by type of product has been restored, but in the previous few years it was presented only on average separately for crop and livestock products. It should be noted that this cost structure is again represented only by agricultural enterprises, which is not representative of the total production for the above reason. In addition, in Ukraine it is much less detailed in terms of cost elements. The presence of such a detailed cost structure in countries with developed market economies has made it possible to seek to reduce the cost of production in the field of direct production, which has made it competitive, which is extremely important for domestic agriculture.
- 3. Another important problem is the lack of proper assessment of the structure of use of relevant resources of agricultural products, determining the share of a particular type of product that is in the field of commodity-money relations and in the field of natural production.
- 4. The impact of price disparities on agricultural products must be clearly defined. Over the last 10-11 years, there has been no significant deterioration in the ratio of price indices for agricultural and industrial products received by agriculture. There are opinions that when calculating the price disparity, 1990 should not be taken

as the basis, because it is outdated, and it is proposed to take 1995, or 2002. This has led some researchers to argue that the disparity has been eliminated.

5. It is necessary to constantly monitor the structure of the retail price of the main types of food products in the chain from the producer of raw materials to the direct consumer.

Our country has already imposed a moratorium on the introduction of the land market several times, but never conducted a thorough study of what the land market will give, how much, by whom and at what price will buy and sell agricultural land when lifting the moratorium? And this is an extremely important issue.

With full membership in the World Trade Organization, Ukraine has joined the system of international trade rules and its activities as a member of the World Trade Organization include the implementation of agreements and commitments reached as a result of negotiations on accession to the World Trade Organization.

According to the agreements on support of agriculture reached during the negotiations, after joining the World Trade Organization, Ukraine has the opportunity to effectively subsidize the agro-industrial complex within budget programs aimed at, in particular, the development of livestock, crop production, cheaper loans, state food reserve.

In addition, Ukraine has retained the right to apply a special value added tax regime to agricultural producers through accumulation, which in the absence of free budget funds is a significant and effective mechanism for indirect support of agricultural producers.

At the same time, there is a need to comply with commitments to support agriculture under the World Trade Organization (World Trade Organization Secretariat document WT / ACC / SPEC / UKR / 1 / REV.12, 26.11.2007). According to the agreements reached within the framework of the World Trade Organization, Ukraine must not exceed the agreed annual aggregate dimension of support, which accumulates in some "yellow" programs (trade-distorting support) and is in accordance with Ukraine's commitments 3 billion 43 million \$

At the same time, like all member countries of the World Trade Organization, Ukraine has no restrictions on "green" programs of domestic agricultural support, the impact of which on trade is absent or minimal, provided that these programs meet the conditions set out in the World Trade Organization about agriculture.

Because the "yellow box" programs include direct income support, in order for a support event to be classified as "green", it must meet the criteria of couples. 6 of Annex 2 "Support for non-productive income" of the Agreement on Agriculture World Trade Organization, the main of which are the following:

the amount of such payments in any year should not depend on or be determined by the type or volume of production carried out by the producer in any year after the base period;

the amount of such payments in any year should not depend on or be determined by the domestic or world price of the goods resulting from production in any year after the base period;

the amount of such payments in any year should not depend on or be determined by the factors of production used in any year after the base period.

Budget funding for green box programs can be increased in Ukraine because it is not limited by the World Trade Organization - spending on infrastructure, consulting, marketing services, environmental protection, training, product inspection, building a modern system of technical standards, accelerating work on their harmonization with international and European ones.

At present, foreign economic activity is becoming increasingly important for the development of the national economy, as well as economic stabilization of our country in terms of overcoming the effects of hostilities. Today, there is virtually no industry in industrialized countries that is not involved in foreign economic activity.

The entry of agro-industrial enterprises into foreign markets contributes to the adaptation of the economy to the system of world economic relations, the formation of an open economy. That is why the development of state regulation of foreign economic activity of enterprises agro-industrial complex is a significant factor in improving the

efficiency of economic activity both at the level of microeconomics and on the scale of the whole economy.

With the development of statehood in Ukraine and the understanding that market relations do not exclude, and in some cases, on the contrary, require the intervention of state institutions in the scientific literature, a number of works on state regulation of the economy in general and foreign economic activity in particular. Among them are the works of Crane AV [1], Mazur KV [3], Mishchenko DA [4], Kaletnik GM [6], Furman IV [8] and others. These authors of scientific articles consider one of the main functions of state management of economic processes - the regulation of these processes. However, other functions of state regulation are covered by them in passing without proper depth, which determines the relevance of the study.

Foreign economic activity - the activities of economic entities of Ukraine and foreign economic entities, built on the relationship between them, which takes place both in Ukraine and abroad.

State regulation of foreign economic activity is a system of legislative, executive and control measures designed to improve foreign economic activity in the interests of the national economy. State regulation of foreign economic activity involves the creation of certain conditions and mechanisms for the effective development of relations between economic entities in different countries.

In order to perform the functions related to the regulation of foreign economic activity, in each country an appropriate system of state bodies is created, their tasks, functions and powers are clearly defined; the state pursues an economic policy, which consists in providing the country with public goods, maintaining perfect competition and combating monopoly. Bodies of state regulation of foreign economic activity of Ukraine are presented in Figure 1.



Fig. 1. Bodies of state regulation of foreign economic activity of Ukraine

Regulation of foreign economic activity is carried out to balance the economy and balance of the domestic market of Ukraine, stimulate progressive structural changes in the economy and create the most favorable conditions for attracting our economy to the world division of labor and bringing it closer to market structures. For the development of foreign economic activitygovernment bodies have adopted a significant number of regulations aimed at regulating all areas of foreign economic activity, including trade, scientific and technical cooperation, services, settlement, credit and other banking operations [1, p. 85].

In recent years, the volume of exports from Ukraine is growing due to favorable conditions in world markets and the constant rise in prices primarily in:

- ferrous and non-ferrous metals,
- foodstuffs (grain, sunflower seeds),
- alcoholic products,
- certain types of mechanical engineering products (machines, vehicles, weapons).

Ukraine is characterized by low exports of high-tech goods and services. This reflects the imperfect structure of the competitive advantages of the Ukrainian

economy, which is based primarily on price factors and comparative advantages in the cost of natural resources and labor. At the same time, the existing high-tech capabilities of certain industries are not used properly.

The development of production of goods with high added value is the main priority in creating a base for increasing the volume and improving the structure of Ukrainian exports in the direction of increasing the share of high-tech goods.

The basis of the commodity structure of foreign trade are fats of animal or vegetable origin, finished food products, machinery, equipment and machinery, electrical equipment, chemical products and related industries, wood and wood products, vegetable products, textile materials and textiles products and means of land transport and especially products of the agro-industrial complex.

Turning to specific cases allows you to clearly show the level of shadowing of agricultural production, the importance of individual economy for rural development, low level of development and development of rural areas, the consequences of reducing inter-district and strengthening foreign export-import operations. The results obtained indicate a different direction of management activities to stimulate the development of rural areas. With the help of cross-analysis of different cases it is possible to identify its model, most adapted to today's conditions [2, p.15].

The development of Ukraine's economy in the conditions of integration of national economies requires its active inclusion in the international division of labor, world economic relations. The formation of a strategy for foreign trade and, in particular, exports, is an extremely important factor in the development of the national economy. However, only those countries with competitive economies can succeed in export. That is why there is a need for thorough theoretical research and substantiation of practical solutions and mechanisms that would allow the state to accelerate its full integration into the world economy and thus enjoy all the benefits of international economic cooperation.

In order to increase the sales of the main export-oriented products, the agroindustrial complex should develop cooperation with the main exporters, not only at the level of enterprises, but also at the level of states, primarily the European Union. According to Mazur KV despite the positive dynamics of foreign trade of agroindustrial complex in 2021, the main areas of its further development remain:

- improvement of mechanisms of customs procedures and taxation in the implementation of export-import operations, as well as transit traffic through the territory of Ukraine;
- dissemination of information on holding specialized international exhibition events among enterprises engaged in foreign economic activity [3, p.8.].

According to Mishchenko DA The following priorities of state policy in the field of foreign economic regulation can be identified: providing the necessary conditions for achieving Ukraine's strategic goals in the international economy and increasing the role of the foreign economic sphere in solving innovation-oriented modernization of the national economy; formation of a national system of institutions and instruments for regulating foreign economic activity that is competitive on the world stage and accessible to all economic entities; further development of the system of state regulation of foreign economic activity on the basis of constant defense of national interests and the interests of domestic business in the process of international economic cooperation, taking into account changing environmental conditions [4].

The objective need for Ukraine's integration into the world economy and the development of its international relations stems primarily from the need to use in the national system of reproduction of the international division of labor to accelerate the transition to a market economy for its development and wealth. This need contributes to the formation of an effective structure of the country's economy. Foreign economic relations in the process of Ukraine's integration into the world economy also cover a range of environmental problems that can be solved by joint efforts. Finally, the development of foreign economic relations opens up additional opportunities in creating appropriate conditions to meet the living needs of the people of Ukraine.

The growth of exports during the study period indicates the gradual integration of Ukraine's agro-industrial complex into world food markets. Despite the decline in livestock production, Ukraine is currently one of the largest exporters of chicken on the world market. However, it should be noted that the basis of exports are cereals,

which would be more appropriate to process in Ukraine for alcohol, biogas and bioethanol.

The basis of imports of agro-industrial products are primarily critical imports, such as cocoa, fish, alcoholic beverages, olive and other oils not produced in Ukraine, as well as citrus. The reduction of sugar beet crops has led to a shortage of sugar, some of which is also imported mainly for the confectionery industry.

Research Kaletnik GM show that the development of processing enterprises agro-industrial complex is characterized by differentiation by sub-industry for a number of reasons, such as efficiency of capital, labor, as well as economic efficiency of production and the emergence of new products. Based on the analysis of these factors there is a phenomenon of differentiation of industries - the process of enterprise development in terms of efficiency of assets, equity, labor resources, production efficiency and the possibility of creating new industries. The possibility of product differentiation in the agro-industrial sector exists throughout the industry value chain. Opportunities for differentiation exist in the following areas:

- logistical support of production units that have a major impact on the quality of products of the organization;
- related to the creation of goods based on the achievements of science and technology, which can improve the design of goods and their characteristics or create new products;
- improvement of production processes that reduce the volume of substandard products, increase the life of the product, improve its functionality;
- provision of logistics systems can speed up deliveries, reduce stocks of finished products;
- actions to improve customer service, marketing research and sales can create such distinctive features as customer support, fast service and taking into account the wishes of the consumer [6, p. 19-20].

Appropriate differentiation processes in stimulating the state through subsidies and soft loans will allow to adapt the production capacity of the agro-industrial complex to the conditions of world markets and increase exports.

A relatively new activity for Ukraine's economy is the production of pellets, which is currently mostly export-oriented. will amount to more than 14.5 million dollars. USA.

The main players in the market of wood pellets in Ukraine are such companies.

- 1) Comrade Ecogran, with a production capacity of 55,000 tons / year. The company produces pellets from wood. The production is located in Zhytomyr region.
- 2) comrade "Pellet-Energo Emilchino", with a production capacity of 50,000 tons / year. The company uses wood waste as raw material. The production is located in Zhytomyr region. The company is a member of the Ukrainian Association of Law Enforcement Representatives, the bulk of the company's products are exported to European Union countries.
- 3) comrade Barlinek Invest, with a production capacity of about 45,000 tons / year. Products are made of wood. Production is located in Vinnytsia and Ivano-Frankivsk regions.
- 4) comrade "Intersource", the production capacity of which is about 45,000 tons / year. Products are made of 100% softwood. Production is located in the Transcarpathian region in Beregovo.
- 5) private joint stock company "Myronivsky Hliboproduct", the production capacity of which is 38,000 tons / year. Sunflower husk is mainly used as a raw material.
- 6) private joint stock company "Zaporizhzhya Oil and Fat Plant", the production capacity of which is 24,000 tons / year. The company produces pellets from sunflower husks.

However, most of these products are exported, which in the context of energy shortages in Ukraine should be regulated by imposing restrictions on export transactions for the sale of solid biofuels.

As a result of the study, we can conclude that Ukrainian pellet production is an attractive line of business, because the demand for bioenergy is a global trend that is not losing its popularity over time, but increases it, especially in developed countries, including Europe. Europe is the main buyer of Ukrainian fuel pellets, but despite the

prospects in this area, it was found that new domestic players are constantly entering European markets, providing the European domestic market independently, the need to import pellets from other countries, including Ukraine, is gradually declining., and the needs of the national economy in terms of abandoning the energy resources of the aggressor's country is growing.

Thus, the prospects for the development of the Ukrainian market also depend on the opening of new foreign markets, currently the consumption of pellets in the domestic market is critically low. Other problems of the Ukrainian pellet market were also identified, including insufficient state support for producers and consumers, periodic shortages of raw materials, difficulties in gaining the main competitive advantage in the pellet market, namely obtaining an Enplus certificate and proposing measures to minimize these negative phenomena.

Given the prospects for the abolition of export quotas for Ukrainian products and the corresponding state support for milk producers, it is also possible to increase exports of this type of product.

Research Furman IV indicate that in accordance with the terms of the DCFTA (Deep and Comprehensive Free Trade Area) between Ukraine and the European Union, the European Union import duty rate for some dairy products of Group 04 (including cheeses of all kinds and sour milk cheese, whey) has been reduced to 0% [8, p. 59]. The remaining items are subject to tariff quotas, within which duty-free exports are carried out (European Union import duty rate - 0%) (Table 1).

With regard to promoting the development of metallurgical industries, government regulation should help establish biogas production to reduce visa duties on domestic metal. The sale of biogas to industrial enterprises focused on the export of their products will give them an advantage in the world market. In this case, companies will not pay carbon tax when exporting their products and biogas is projected to have a higher price compared to natural gas. The potential for biogas production is more than sufficient to meet the needs of Ukraine and in the long run may be partially exported to the European Union.

Table 1 **Duty-free tariff quotas on imports of certain dairy products into the EU** 

Milk, cream, condensed milk and yogurt	8000 t / year - with a gradual increase over 5 years to 10,000 t / year
Powdered milk	1500-5000 t / year
Butter, milk pastes	1500-3000 t / year
Processed dairy products	2000 t / year
Processed oil products	250 t / year

Source: [8, c. 59]

To date, the legal field of the Law of Ukraine "On Amendments to the Law of Ukraine" On Alternative Fuels "for the Development of Biomethane Production" No. 5464 of 05.05.2021, which regulated the possibility of selling biogas in the general gas transmission system of Ukraine. Namely, the law solved two main tasks:

- 1. Introduces into the legislative field of Ukraine the definition of the term "biomethane" a biogas that in its physical and technical characteristics meets the regulations on natural gas for supply to the gas transmission and distribution system or for use as motor fuel;
- 2. Creates the "Biomethane Register" an electronic system of accounts designed to register the amount of biomethane submitted to the gas transmission or gas distribution system and selected from the gas transmission or gas distribution system, as well as to form guarantees of biomethane origin, their transfer, distribution or cancellation and cancellation biomethane [9].
- 3. In order to improve state regulation, first of all measures are needed to stimulate the development of biogas production for own needs and long-term export prospects. Subsidies for agricultural milk producers. Encouraging greater use of pellets produced from waste agro-industrial complex within the state by setting export quotas. Stimulation of processing of grain crops on finished products with the subsequent realization abroad. Excellent visa duties on critical food imports to compensate for the rising cost of relevant products for the population

Measures to improve state regulation of foreign economic activity in the agro-industrial complex of Ukraine

Table 2.

Export of milk	Biogas exports	Export of pellets	Export of cereals	Critical
1		1 1	1	imports
1. Introduction of	1. Establishing the	1. Establishment of	1. Reduction of	1. Removal
subsidies to milk	biogas market by	quotas for the	export quotas and	of import
producers	implementing in	export of pellets	stimulation of	duties on
(compensation for	practice the	focused on	grain processing	critical food
the cost of milking	development of	stimulating	within the state	imports
machines, personal	scientific	domestic	for bioethanol,	(fish,
farms and the	institutions.	consumption	alcohol, etc.	crustaceans
purchase of dairy	2. Compensation	2. Stimulating the	2. Compensation	and other
cattle)	of interest on loans	transition of	of interest on	products
2. Withdrawal of	to enterprises	enterprises to	loans for	that cannot
milk export quotas	focused on biogas	pellets by reducing	processing	be produced
in the regions of the	production	taxes for	enterprises	in Ukraine)
European Union	(equipment for the	formations that will	focused on grain	
(diplomatic	creation of relevant	use renewable	processing	
promotion of	industries)	energy sources,	(purchase of	
relevant decisions)		including pellets	appropriate	
			equipment)	

Source: own development

Therefore, to ensure the further development of the agro-industrial complex of Ukraine, the state needs to apply soft loans and promote the development of agricultural processing. Which will increase the cost of exports, because today Ukraine exports mostly raw materials. And apply a policy of minimum tax burden for critical imports.

State regulation in the field of foreign economic activity at the national level, regulation of foreign trade and financial flows at the international level are becoming increasingly important in the process of internationalization of economic life and increasing economic interdependence.

The search for integration is based on foreign economic causes of the structural crisis of the Ukrainian economy, periodic fixation of its place and role in the world foreign economic space and the development of national economic mechanisms to neutralize the destructive impact of exogenous factors on the state and development of foreign economic processes. In addition to focusing on the gradual solution of long-term problems of integration into the international economic space, related to the

achievement of long-term strategic goals, the mechanism of integration into the system of world economic relations should address current and medium-term challenges.

The priority areas of work in the state regulation of the external sphere of activity of the agro-industrial complex of Ukraine should be:

- Attracting foreign investment in the agro-industrial complex of Ukraine through constant monitoring of proposals by investors, establishing contacts with international financial institutions and international organizations;
- support of specific investment projects in the field of modernization of agroindustrial complex of Ukraine and providing comprehensive assistance in their implementation;
- implementation of measures to deepen the activities of executive bodies in the field of practical implementation of the Program of European and Euro-Atlantic Integration of Ukraine;
- assistance in intensification of foreign economic relations of the agro-industrial complex of Ukraine and their entry into the foreign market under martial law.

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# 2. State regulation of «green» creation jobs in the process of transformation transformations

Rethinking the strategy of Ukraine's European integration course requires the development of new approaches to the implementation of European standards in various spheres of public life and Ukraine's approximation to the requirements of EU membership. Until now, Ukraine remains an unstable society, influencing all vectors of development, as well as domestic and international policy, because for almost three decades of statehood it has failed to form a coherent strategy of sustainable development that would define the principles, directions and goals of balanced economic growth. [11, p.4]. In the context of the above, Ukraine, as a member of the UN, has joined the UN General Assembly Resolution "Transforming our world: the 2030 Agenda for Sustainable Development" and the program UN "Greening the Economy in the Eastern Partnership" (EaP GREEN). Consequently, she chose the path of transformational transformations to "green" the country's economy, the main principles of which were:

- assessment and promotion of ecosystem services at both macro-, meso- and macro-levels;
- ensuring employment by creating "green" jobs and developing appropriate policies;
- the use of market mechanisms to achieve sustainable development and increase economic competitiveness [11, p.4].

However, the transformational shifts of recent years show: slowing down the transformational transformation of "greening" of the economy as a whole and agribusiness in particular; incomplete use of opportunities that make up the powerful potential of agribusiness, etc. Thus, today the domestic science of state regulation and economic practice is faced with the issue of mobilizing the powerful potential of agrarian business to accelerate the transformation of its "greening" and create "green" jobs in accordance with European standards.

The problem of state regulation of the creation of "green" jobs has been and remains the subject of numerous studies. In particular, such scientists as Baldycha OM,

Bodrova VG, Zavolyuki YM, Kvacha JP, Krivenko SV, Lagutina IV, Safonova NI etc. At the same time, despite the significant work of scientists on this issue, a clear idea of state regulation of the creation of "green" jobs in the process of transformational transformation of "greening" agrarian business has not yet been formed. Today, their creation in Ukraine is especially necessary not only because of joining the UN ecoprograms and committing to transformational changes to "green" the economy, but also because of the need for economic growth without increasing the nature of economic systems while reducing environmental damage from their eco-destructive activities. Therefore, the issue of determining the vectors of state regulation of the creation of "green" jobs in the process of transformational transformation of "greening" the economy in general and agribusiness, in particular, are becoming increasingly important, and therefore need further research.

The economic reforms launched in Ukraine are quite relevant and long-awaited, however, their implementation is slowing down with their start. Many problems can be prevented if the reformers from the very beginning were clearly aware of the substantive component of some key definitions of the theory of state regulation [18, p. 155]. Therefore, before deciding on the vectors of state regulation of the creation of "green" jobs in the process of transformational transformation of "greening" agrarian business, we consider it necessary to focus on the study of the substantive component of certain fundamental concepts.

First of all, let's focus on the concept of "transformational transformations", which comes from the etymological word "transformation" (from the Latin transformatio), which literally means – transformations, changes.

Despite the established understanding of the word "transformation", meanwhile, among our predecessors made many attempts to interpret the term "transformational transformation" at its discretion, in particular, some of them are given in table 1:

Table 1
Scientific approaches to the interpretation of the concept of "transformational transformations"

Authors	Substantive component
Bodrov V. [10]	transformational transformations — the transition from one type of organization of economic life of society to another, changing the forms of economic system in accordance with the modernization or radical transformation of the elements of which it consists
Ivleva G. [13]	transformational transformations are characteristics of any state: from elementary change to a complex process of reforms that are consciously implemented.
Zavoloka Yu. [12]	transformational transformations — qualitative transformations of the economic system, its going beyond stable functioning and transition to a state of imbalance, quantitative and qualitative changes of different intensity and direction
Mocherny S. [14]	transformational transformations — the process of transforming one economic system into another, accompanied by the demise of some elements, features, properties and the emergence of others.
Parsyak V., Kochetva I. [18]	transformational transformations — a set of changes within the object, as a result of which the transformations of its essential properties acquire volumes that lead to a radical change in the quality of the whole system or individual components that decisively affect its vital functions.
Savchuk V. [21]	transformational transformations — the process of replacing the ascertaining features of one economic order with similar features of another order, resulting in a radical transformation of the economic system as a whole

Source: generated by the author based on [10–21]

Analyzing the attempts of scholars to interpret the concept of "transformational transformations", it is obvious that this concept is more complex than it seems at first glance and can hardly be fully explained within a single definition for the reason that being fair and true, any from the definitions may at the same time fully correspond to the content of the concept, but do not reveal its nature. In this regard, we consider it appropriate to interpret this concept in a holistic approach, according to which transformational transformations in a broad sense should be considered as a set of changes resulting from a certain sequence of planned, coordinated, controlled and coordinated actions of actors working together for sustainable development. balanced in three dimensions: economic, social and environmental.

In a narrow sense, the definition of "transformational transformation" should be more detailed and formed based on the specifics of a particular sector of the economy

where they occur. Since we are talking about "greening" agrarian business, to reveal the substantive component of this concept, consider the distinctive features of the "green" economy:

- greening of the economy, which involves the implementation of environmental factors in the model of economic growth of the country and its regions;
- ensuring economic growth with less intensive consumption of natural resources, ie on the principle of "creating more value with less impact";
- unity and balance of public and business interests in ensuring sustainable consumption and production, partnership and consolidation of efforts to protect the environment and restore its condition;
- stimulating the development of environmental activities and limiting the support of polluting enterprises;
- introduction of "green" technologies to achieve the effect of land reclamation (improving the situation of the world and humanity through reasonable human intervention in all processes and areas).

Based on these distinctive features of the "green" economy and its specifics, the "green" economy should be understood as an economy aimed at creating environmental and economic integrity, which will eliminate "environmental risks" and "environmental deficits" for human welfare and equitable access to each of members of society to natural resources.

Therefore, based on the above, transformational transformations from "greening" of agrarian business should be considered as transformations in the agricultural sector of the economy, aimed at creating ecological and economic integrity of organic agricultural production, balanced by three dimensions of sustainable development (economic, social and environmental). leveling "environmental risks" and "environmental deficits" for the well-being of mankind and the interests of future generations in reducing the rate of depletion of natural resources.

The beginning of transformational transformations on "greening" of agrarian business in Ukraine was the State Targeted Program for Ukrainian Rural Development until 2015, which aimed to increase organic production to 10% of total agricultural

production. Currently, the basis for the promotion of organic agricultural production is the Strategy for the Development of Agriculture and Rural Areas for 2015–2020, which, thanks to simulation modeling, simulated two scenarios for its implementation:

- the optimistic scenario (Green Economy plus or ZE +) assumes that investments of 91 euros (100 US dollars) per hectare per year are offset by a reduction in operating costs; 10% increase in yield; the market price is 20% higher than the products of ordinary agriculture; labor intensity is 20% higher than in traditional agricultural production;
- the pessimistic scenario ("Green Economy minus" or SE-) provides for an investment of 182 euros (US \$ 200) per hectare per year, also offset by lower operating costs; 30% reduction in yield; market prices are equal to prices for ordinary products; labor intensity is 10% higher than in traditional agricultural production [19].

According to the projected calculations for any of the scenarios ((ZE + / GE +) or (ZE - / GE -)) an increase in "green" jobs is expected.

According to UNEP, "green" jobs are those in agriculture, industry, services and management that have a significant impact on preserving, restoring and improving the quality of the environment and meet the principles of decent work, including working conditions, wages and social security. dialogue [23].

According to the World Bank, "green" jobs are new types of jobs that play a significant role in greening businesses and the economy. In practice, these jobs reduce energy and raw material consumption; limit emissions and discharges of pollutants; minimize the level of waste; preserve and restore ecosystems; contribute to adaptation to climate change [22]. Thus, we come to the conclusion that "green" are those jobs that are relevant to the protection of biodiversity and the environment and which provide decent and safe working conditions.

The creation of "green" jobs in the process of transformational transformation of "greening" agrarian business is determined by the environmental policy of the state, which, unfortunately, in Ukraine is still not considered a way out of the current recession, resulting in dispersion and duplication of measures implementation of a single agreed strategy or green action plan.

Given the above, the main vectors of state regulation of the creation of "green" jobs in the process of transformational transformation of "greening" agrarian business should be (Fig. 1):

Development of regulations that will ensure the training of professionals, decent working conditions, fair wages, improving occupational safety, new guarantees in case of disability, etc.

Defining qualification requirements for professional staff for "green" jobs and making changes and additions to the Classifier of Professions DK 003: 2010

Promoting the redistribution of workers from sectors that are shrinking to those that need to grow as a result of transformational transformations from "greening" the economy

Training and retraining of professional staff for "green" jobs, as well as training of workers in organic agricultural production at the expense of the state

Stimulation and budget support for the creation of "green" jobs and, above all, in small farms, which will primarily reduce poverty among Ukrainians

Fig. 1. Vectors of state regulation of the creation of "green" jobs in the process of transformational transformation of "greening" the economy as a whole and agricultural business

Source: author's development [36]

Thus, the role of government regulation in the "greening" of agricultural business should be to ensure the support of "green" economic development and, at the same time, remove barriers that may hinder the transition to a "green" economy.

Ukraine has chosen the path of transformational transformation from "greening" of agrarian business, which should be considered as transformations in the agricultural sector of the economy, aimed at creating ecological and economic integrity of organic agricultural production, balanced by three dimensions of sustainable development (economic, social and environmental). "Environmental risks" and "environmental deficits" for the benefit of mankind and the interests of future generations in reducing the rate of depletion of natural resources.

It is substantiated that under any of the scenarios of implementation of the Strategy for Agriculture and Rural Development for 2015–2020 transformational

transformations from "greening" of agrarian business will be accompanied by an increase in "green" jobs, the introduction of which in domestic practice will prevent inhibition of transformational transformations. on "landscaping" through the involvement of all actors in solidarity to achieve sustainable development of agrarian business balanced in three dimensions: economic, social and environmental.

The success of transformational transformations in "greening" agrarian business is primarily determined by the effect of decoupling.

Decoupling means "demarcation, demarcation, separation, disruption."

The first international organization to propose the concept of environmental decapitation was the Organization for Economic Cooperation and Development (OECD), which defines decapitation as the severance of the link between "negative environmental impacts" and "economic benefits" [24].

O. Veklych and B. Danylyshyn [27] integrated the concept of decapping into domestic practice and further developed it in the works of O. Litvak [29], M. Sotnyk [31], O., Tura [32], and others. (Table 2):

Analyzing the existing approaches of scientists to the interpretation of the concept of "decoupling", we have every reason to state the fact that there is no stability of scientists' opinions on understanding the substantive component of this concept.

Undoubtedly, each of the interpretations given in Table 1 is correct, but it should be recalled that decapitation is primarily the result of certain actions, and therefore, its content component is most appropriate to consider the effective approach, ie as a result of transformational transformations in the economy. as a whole and / or in a separate sector of the economy, which characterizes the ratio of economic growth to the rate of natural resources consumed and the damage to the environment.

Depending on the factors of influence, there are two types of decoupling, namely: decoupling by resource factors (resource decoupling), ie by nature capacity; decoupling by environmental impact factors (impact decoupling) – by environmental intensity [29, p.41].

Table 2
Interpretation of the definition of "decapping"

Author	Content component
Veklich O., Danilishin B. [27]	Decapping is the process of sustaining long-term, projected and managed inconsistencies in trends in economic growth, consumption of natural resources and environmental pollution at all stages of the life cycle.
Gorsky A. [25]	decapitation — the phenomenon of the difference between economic growth and reducing pressure on the environment
Yeliseyeva G. [28]	decoupling – increasing the environmental efficiency of economic activity
Litvak O. [29]	decapitation is an economic phenomenon that reflects the ability to grow economically, which is not accompanied by increasing pressure on the environment
Sotnik MI, Kulik LA [31]	decapping — the phenomenon of the gap between economic development and the degree of anthropogenic impact on the environment
Tour O. [32]	mapping is a strategic basis for the development of a green economy that improves human well-being and social justice, while significantly reducing environmental risks and resource consumption
Decoupling Natural Resource Use and Environmental Impacts from Economic Growth [34]	decapitation is a principle that consists in the inconsistency of traditionally formed interconnected processes of economic growth, consumption of natural resources and environmental pollution and provides for meeting the growing needs of society while minimizing the consumption of natural capital

Source: formed by the author on the basis of [25-32]

Each of the types of decoupling is characterized by a corresponding indicator. In particular, the indicator of decoupling in terms of environmental intensity reflects the growth rate of macroeconomic indicators relative to the amount of pollutant emissions, which makes it possible to record changes in the emerging need to reduce environmental impact by creating each additional unit of economic benefit [35]. In turn, the indicator of decoupling by nature intensity characterizes the relationship between the level of economic growth and the rate of use (depletion) of natural resources [24, p.112].

Therefore, these indicators should be recognized as a fundamental basis for the formation of information support for state regulation of the economy and / or a

particular sector.

According to Pasinovich II and Sich OA state regulation of the economy is state intervention in the economy using a set of various levers, tools that enable it to ensure the normal functioning of the market mechanism and seek solutions to economic and social problems [30, p.401]. In turn Didkivska LI, Golovko LS define state regulation of the economy as a system of measures to support, compensatory and regulatory activities of the state aimed at creating normal conditions for effective market functioning and solving complex socio-economic problems of the national economy and society [26, p.76].

We fully agree with these statements, but consider it necessary to emphasize that today the role of the state in the economy goes beyond the coordination of exclusively economic processes – to ensure the purpose of regulation, prerequisites for economic development must take into account the limiting or stimulating effects of various factors, including environmental [26, p.402]. First of all, the state should be the guarantor of ensuring balanced ecological and economic development of the economy and thus satisfying the interests of future generations in reducing the rate of depletion of natural resources.

Currently, Ukraine has adopted a number of strategic documents and laws that create the basis for state regulation of the phenomenon of decoupling in the process of transformational transformation of "greening" of the economy as a whole and agribusiness in particular. However, it is no secret that Ukraine still lacks an effective mechanism of state regulation that would support the transformation of "greening" of the agricultural sector by positive decoupling, and hence balanced environmental and economic development of agribusiness in the medium and long term.

Speaking about the mechanism of state regulation of the phenomenon of decoupling in agrarian business, it should be emphasized that the analysis of scholars' interpretations of this concept showed that different authors reveal its content component differently and, consequently, each definition interprets the ultimate goal of state regulation. Since the main purpose of state regulation of the phenomenon of decoupling in the process of transformational transformation of "greening" agrarian

business is to obtain positive decoupling, we believe that the most correct interpretation of this concept is an integrative approach that combines previously disparate parts and elements of state regulation of the agricultural sector of the economy.

Based on the above and taking into account the specifics of transformational transformations on "greening" agrarian business, we conclude that the mechanism of state regulation of the phenomenon of decoupling in the process of transformational transformations on "greening" agrarian business should be considered as a set of methods and relevant tools of state regulation. carries out regulatory, supportive, compensatory and stimulating activities aimed at accompanying transformational transformations by the phenomenon of positive decoupling (ensuring the excess of economic growth in the agricultural sector of the economy over the rate of natural resources) and, consequently, ensuring organic agricultural production balanced by three: economic, social and environmental.

The allocation of administrative (direct) and economic (indirect) methods and corresponding instruments of state regulation is traditional for the mechanism of state regulation of the economy. Administrative methods restrict freedom of choice, rely on the power of state power, current legislation, and the use of prohibition or coercive measures. They can both correct market failures and distort market mechanisms, mainly due to restricted competition. Economic methods expand the freedom of choice, provide for the creation of a system of incentives for economic entities, thus creating a basis for public-private partnership in the implementation of progressive change. Administrative methods are not only effective but also mandatory.

Recognizing the important role of the state in the process of transformational transformation of "greening" agrarian business, it is important to find the optimal combination of direct and indirect methods of regulation, which would, on the one hand, stimulate priority areas of organic production, and on the other – minimally harm the environment [26, p. . 403]. Therefore, given the positive aspects and gaps in the current mechanism of state regulation of transformational processes of "greening" in agrarian business, we believe that during the reform of the agricultural sector, it has not proved its effectiveness, so it needs modernization. To this end, based on the

experience of EU countries, in the framework of the Strategy of State Environmental Policy of Ukraine until 2030, a model of the mechanism of state regulation of the phenomenon of decoupling is proposed (Fig. 2):

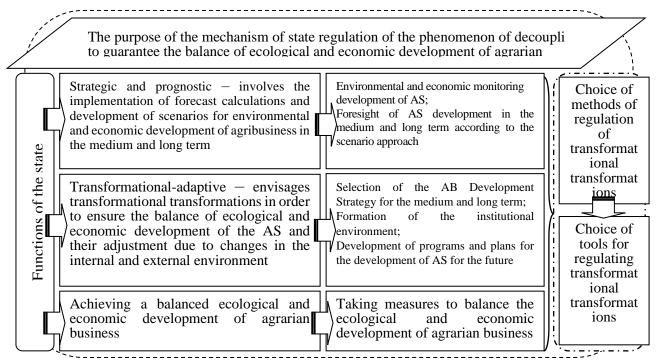


Fig. 2. The model of the mechanism of the state regulation of the phenomenon of decoupling in the course of transformational transformations on "greening" of agrarian business is offered

Source: [37]

The introduction of the proposed model of the mechanism of state regulation of the phenomenon of decoupling in the process of transformational transformation of "greening" of agribusiness in contrast to the existing will allow the state to act as a full guarantor of balanced environmental and economic development of agribusiness in the medium and long term.

According to the study, Ukraine has adopted a number of strategic documents and laws that create the basis for state regulation of the phenomenon of decoupling in the process of transformational transformation of "greening" agrarian business, but still lacks an effective mechanism to ensure balanced environmental and economic development business in the medium and long term horizons.

It is proved that since the main purpose of state regulation of the phenomenon of

## SCIENTIFIC AND PRACTICAL PRINCIPLES OF DEVELOPMENT OF TERRITORIAL COMMUNITIES IN THE CONDITIONS OF DECENTRALIZATION OF POWER

decoupling in the process of transformational transformations of "greening" agrarian business is to obtain positive decoupling, the most correct interpretation of this concept is an integrative approach. According to which the mechanism of state regulation of the phenomenon of decoupling in the process of transformational transformations on "greening" of agrarian business should be considered as a set of tools through which the state carries out regulatory, supporting, compensatory and stimulating activities aimed at accompanying transformational transformations in the agricultural sector of the economy over the rate of use of natural resources), and hence the provision of organic agricultural production, balanced by three dimensions of sustainable development: economic, social and environmental.

Based on the experience of EU countries, a modernized model of the mechanism of state regulation of the phenomenon of decoupling in the process of transformational transformation of "greening" of agrarian business, which, unlike the existing one, will allow the state to act as a full.

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## 3. Improving the organizational structure of local self-government bodies in the conditions of decentralization of power

Local self-government in Ukraine is a state-guaranteed right and real ability of a territorial community — villagers or voluntary association of residents of several villages, settlements, cities — independently or under the responsibility of bodies and officials of local self-government — to decide local issues within Constitution and Laws of Ukraine. Local self-government is carried out by territorial communities of villages, settlements, cities both directly and through village, settlement, city councils and their executive bodies, as well as through district and regional councils representing common interests of territorial communities of villages, settlements, cities.

One of the tasks that needs to be urgently addressed is the implementation of state and legal reform, the most frequent component of which is the construction of effective systems of state executive power and local self-government. To a large extent, its effectiveness will depend on the correct choice of strategy for further development of public administration institutions, the implementation of the Constitution of Ukraine, the state of legal culture in society, the perfect organization of local authorities and local governments. Implementation of administrative reform, improvement of the activities of the local administrative apparatus and local self-government bodies are impossible without a deep scientific substantiation, without research of their organizational and legal aspects. When studying the problem, special attention should be paid to the specifics of the regions, because its consideration to some extent determines the effectiveness of local authorities [38].

Real, not declarative expansion of local government rights. Not a competition between the government and the President – who will lead local administrations, but the transfer of power to local councils and their executive bodies. The key task is to ensure the financial and resource self-sufficiency of local councils. At the same time, the expansion of the powers of local self-government should not destroy the integrity and unity of the system of public administration. Each level of organization of power (self-government) must perform its own, unique functions, and the system of power

must act as a single organism. The main problem in the formation of effective local government in Ukraine and socio-economic development of the state is the formation of the institution of communal property, the scope of powers of local governments in exercising ownership of communal property [39].

The need to strengthen the political status of local self-government as a grassroots level of public authority is argued in many scientific papers, but this should be supported not only by references to generally accepted European standards and principles of democracy, but also by more real factors that would emphasize decentralized governance. The systematization of reforms in terms of priority should be set by the updated Constitution, which would guarantee a higher political status and European standards of local self-government. World experience and practice show that the reform process should begin with the development of the foundation of the territorial organization of power, with the formation of an economically viable community, with the reform of the administrative-territorial system [40].

During the centuries of foreign domination, Ukrainian society, being under various state formations, still maintained unity not because of the government, but against it, and accumulated a certain civic potential of self-government. The transformation of civil society requires an in-depth study of the constitutional and legal aspects of the organization and implementation of local self-government in Ukraine, time and practice pose new doctrinal and specific legal challenges.

Using the experience of European democracy in Ukraine, the rule of law and civil society are being built at the same time, including local self-government with its own socio-cultural and historical traditions, culture and mentality of Ukrainians.

The Constitution of Ukraine of 1996 created the constitutional and legal preconditions for the development of local self-government, defined the general principles of the constitutional model of territorial organization of local government and conceptual areas of activity of executive bodies of local self-government in Ukraine. In accordance with Part 2 of Art. 5 of the Constitution of Ukraine, the bearer of sovereignty and the only source of power in Ukraine is the people. The people exercise power directly and through public authorities and local governments.

According to the Constitution of Ukraine, local self-government is the right of a territorial community – villagers or voluntary association of residents of several villages, towns and cities – to decide on local issues within the Constitution of Ukraine and laws of Ukraine. Thus, in Ukraine, local self-government is recognized and guaranteed (Article 7 of the Constitution of Ukraine) [41].

The Constitution of Ukraine enshrines only the self-governing principle of local issues, based on self-organization and self-responsibility of local residents – members of territorial communities of villages, towns and cities, as well as their elected bodies and officials of local self-government [41].

The paradigm of civil society development formulated in the Constitution of Ukraine is the basis for harmonizing the interests of all its institutions. Local self-government is important in the system of civil society, appears as a factor in intensifying political and social activity of the population, which allows local communities to effectively address issues of local importance.

O.Yu. Todyka rightly noted that local self-government plays a special role in the formation of civil society in Ukraine, while being both a mechanism for its formation and an integral part of it. Involvement of members of the local community in the process of making socially significant decisions is one of the important mechanisms of real democracy [42].

Conceptual principles for the construction and functioning of the local self-government system are defined and set out in the World Declaration on Local Self-Government and the European Charter of Local Self-Government. Thus, in accordance with Art. 3 of the European Charter of Local Self-Government is the right and real ability of local self-government bodies to regulate and manage a significant part of public affairs, acting within the law, under their own responsibility and in the interests of the local population. This right is exercised both by elected and executive bodies and directly by the territorial community through the use of various forms of direct democracy. This Charter was ratified by the Law of Ukraine "On Ratification of the European Charter of Local Self-Government" of July 15, 1997 [43] without any reservations. It should be noted that most of the provisions of the current Constitution

of Ukraine are based on the provisions of the Charter, which objectively and naturally correspond to the European choice of Ukraine.

Thus, the European Charter of Local Self-Government is now formally a component of Ukrainian legislation and should be directly applied in real life. The definition of the Charter refers not only to law, but also to real ability, which means a simple thing. There can be no local self-government where there is no capacity to exercise the powers granted [43].

Conceptual analysis of official and other versions of draft laws amending the Constitution of Ukraine, developed in 2003-2014, allows us to conclude that the authors (or at least declare them) of almost all of these bills change the philosophy of the whole model of local government regulation.

In essence, it is proposed to move from the current conservative model of local self-government, in which local self-government is carried out only at the level of territorial communities, and at the level of regions – regions and districts – is actually symbolic, to a full system of local self-government at all levels. Implementation of the principle of universality of local self-government known in world municipal practice in Ukraine would create legal conditions for intensification of vital activity of territorial communities, clear territorial boundaries of their municipal activity, promote decentralization of public power, delimitation of functions and powers of central and local executive bodies, expanding the independence and responsibility of territorial communities in solving problems of livelihood and development of territories, cities, towns and other settlements, taking into account local specifics, socio-economic characteristics and cultural and historical traditions of communities and regions [43].

Approved by the Cabinet of Ministers of Ukraine on April 1, 2014, the Concept of Reforming Local Self-Government and Territorial Organization of Power in Ukraine defines the main ways to solve the problems of the existing system of local self-government. The key issues that determine the essence of changes in this system are: determining a reasonable territorial basis for the activities of local governments and executive authorities; creation of appropriate material, financial and organizational conditions to ensure the exercise by local governments of their own and delegated

powers; separation of powers between local self-government bodies and executive bodies at different levels of the administrative-territorial structure according to the principles of subsidiarity and decentralization; maximum involvement of the population in management decisions, promoting the development of forms of direct democracy [44].

The adoption of the Law of Ukraine "On Cooperation of Territorial Communities" of June 17, 2014 [45], the Law of Ukraine "On Voluntary Association of Territorial Communities" of February 5, 2015, and the Law of Ukraine was aimed at ensuring the development of local self-government. "On Principles of State Regional Policy" of February 5, 2015. The adoption of new legislation has led to changes in such a conceptual concept as "local self-government system", which is reflected in the amendments to the Law of Ukraine "On Local Self-Government in Ukraine" February 2015. After finalization, the list of elements of this system includes: territorial community; village, settlement, city council; village, settlement, city mayor; executive bodies of village, settlement, city council; the mayor; district and regional councils representing the common interests of territorial communities of villages, settlements, cities; bodies of self-organization of the population [46].

The Sustainable Development Strategy "Ukraine – 2020" of January 12, 2015 defines the purpose and priority conditions – defense, socio-economic, organizational, political and legal, the implementation of which will ensure full membership in the EU. It is necessary to reach a consensus in the relations between the government, business and civil society, which must exercise control over the government, live in accordance with the principles of the Constitution of Dignity and strictly adhere to the Constitution of Ukraine and the laws of Ukraine.

The priority direction of the state policy in the field of local self-government was to ensure the implementation on the ground of the Development Strategy of Ukraine – 2020, namely: directing the activities of local governments on such vectors of movement as: sustainable development of the country; security of the state, business and citizens; responsibility and social justice; pride in Ukraine in Europe and the world; decentralization and local government reform; public administration reform;

involvement of local self-government bodies in the implementation of 10 priority reforms in total.

Following the decisions of the III Warsaw Summit of Heads of Government and Heads of State of the Council of Europe, the European Strategy for Innovation and Good Governance at Local Level was developed and approved by the Committee of Ministers of the Council of Europe in 2008. Adoption of this Strategy local democracy, as one of the most important prerequisites for reforming the system of local self-government in Ukraine and other European countries is the ability of local self-government to effectively exercise the growing number of powers delegated to them by central authorities to provide better services. The implementation of the Strategy should contribute to the achievement of the following results: citizens should be at the center of all the most important democratic processes in society; local governments must constantly improve the management and delivery of services in accordance with the 12 principles set out in the European Strategy, namely:

- 1. Fair elections, public representation and participation, in order to ensure a real opportunity for citizens to participate in local affairs.
- 2. Sensitivity the appropriate response of local authorities to the legitimate expectations and needs of citizens.
- 3. Efficiency and effectiveness, the most rational use of local community resources.
- 4. Openness and transparency, ensuring public access to official information in order to understand the local community how public affairs are managed.
- 5. Rule of law, in order to ensure justice and political neutrality of local authorities in their activities.
  - 6. Ethical behavior the predominance of public interests over private ones.
- 7. Competence and ability. Ensuring professional performance of duties by representatives and officials of local self-government.
- 8. Innovation and openness to change the application of new approaches and practices in management.
  - 9. Reliable financial management, ensuring economical and productive use of

public finances and other material resources.

- 10. Sustainable development and focus on long-term results, in order to take into account the interests of future generations in preserving the national (local) cultural heritage and the environment.
- 11. Human rights, cultural diversity and social cohesion, in order to ensure the protection and respect of all citizens.
- 12. Accountability the responsibility of local government officials for their actions [47].

International practice shows that local self-government is an essential element of civil society, although quite specific. On the one hand, it is a power structure without which civil society cannot exist. On the other hand, it is a part of civil society that represents the whole community in government structures and ensures the realization of the rights of the population to exercise local self-government.

In all Western European countries, local self-government is seen as an essential part of governance, a necessary complement and counterbalance to central governance, and a guarantee of democratic public health.

The system of local self-government of European countries was formed over many centuries under the strong influence of general cultural and political traditions, peculiarities of administrative-territorial structures, the level of political and legal regulation of central authorities. This explains the specificity and diversity of local self-government systems on one continent. It is obvious that such systems were not copied from any one model, but matured in the depths of a society. In recent years, there has been a tendency to gradually reduce differences and strengthen common features in the structure, nature, functionality of local governments in different countries.

The precondition for the constitutional reform of local government was the desire to borrow from the positive experience of foreign countries, to bring Ukrainian municipal institutions closer to European civilization, to guarantee the protection of local self-government, its independence, and democratic principles of municipal government.

At the constitutional and legislative level, Ukraine can use the positive world

experience in forming its own model of local self-government. It is necessary to focus on: analysis of national conditions of organization and activity of the relevant authorities, taking into account the administrative-territorial structure; decentralization of management and transfer of greater powers to the local level; historical, financial and other conditions of development of territories and the state as a whole.

Thus, the process of transferring powers from state authorities to local governments is gradual and is not complete due to the need to improve the legislation of Ukraine.

It should be noted that the revival of local self-government in Ukraine is impossible without its reform, which is a necessary prerequisite for overcoming the systemic crisis in our country. Despite the announced reforms, today neither Ukrainians nor international experts show real changes in Ukraine. The indicator is the place of our state in various international rankings. The state of local self-government does not meet the needs of Ukrainian civil society, and the principles of local self-government are hardly implemented in practice.

To overcome the calls for federalization, violations of domestic law and state sovereignty, it is necessary to improve and implement an effective mechanism for implementing constitutional and legal norms that will ensure the existence of effective local self-government in our country.

The history of a decentralized state is a history of contradictions related to the search for the best form of organization of state power. Over the last few decades, the concept of decentralization has been central to Europe, and it has also become unifying in terms of the economic development of regions in this part of the world. Decentralization as a concept takes many forms, given the history of countries, levels of development, culture and approaches to public administration.

Public power comes in two forms – state power and local self-government. The system of public authority exists and operates at the expense of taxes on the population and enterprises in order to act in the public interest. However, under the current conditions of Ukraine's transition to democracy, the mechanism of public authority needs further development and improvement.

One of the ways to optimize public administration is decentralization – the transfer of some powers to bodies that are not subordinate to the central government, but are elected or created by the community. The process of decentralization, for example, is still going on in France and Germany – some improvements and adjustments are still being made from time to time. The traditionally established view of decentralization as a process in which independent units are formed within the centralized state, which are the bearers of local self-government (community), requires the development of new approaches to the analysis of its content.

The problem of decentralization of power in Ukraine is not new, but remains relevant, because under the current system of state-building – management is too concentrated in the center, lacks resources and, consequently, the functioning of local executive power is not dynamic enough, there are conflicts between local authorities and , as a result – the alienation of people from it. In view of this, the legal regulation of these problems needs to be improved and brought into line with the Constitution of Ukraine. First of all, it concerns the development of local self-government, strategic planning, and especially the state budget policy. Improving local government, in particular the interaction of public administration and local self-government, remains relevant today.

An effective solution to local issues requires a model that would ensure the necessary unity of state power with the simultaneous independence of territorial communities. The maximum possibilities of self-government in order to develop democracy and ensure the sovereignty of the people, and the optimal ratio of public administration and self-government, their ratio at the local level should be determined in society. In the context of reforming Ukrainian society, solving this problem is extremely important.

The topic of decentralization of power in the Ukrainian practice of state-building has always occupied an important place since the proclamation of Ukraine's independence. This problem was especially acute in 2014. The domestic political development of the state and the external situation around Ukraine have exacerbated

the issue of decentralization of power – the transfer of powers and resources to lower levels of public administration.

Decentralization is one of the forms of democracy development, which allows preserving the state and its institutions, expanding local government, activating the population to address their own needs and interests, narrowing the sphere of state influence on society, replacing this influence with self-regulatory mechanisms developed by society. and taxpayers for the maintenance of the state apparatus and its material appendages – the army, police, etc.

In Ukraine, during the years of independence, the first steps were taken to institutionalize democratic decentralization in terms of creating a legal basis for the decentralization process. The current Constitution enshrines the system of organization of power at the local level, established in 1992. The next step in creating a legal basis for decentralization of power was the Laws on Local State Administrations (1997) and the Law on Local Administrations (1999). A milestone in this path was the Concept of Local Self-Government Reform, aimed at decentralizing power. The next real step was the proposals to amend the Constitution of Ukraine, based on the provisions of the European Charter of Local Self-Government, the work of the Constitutional Assembly and the Constitutional Commission of the Verkhovna Rada, groups of experts in constitutional law and local self-government.

In recent years, many scientific studies have been conducted on various aspects of the theory and practice of local self-government in European countries, but a comprehensive analysis of the possibilities of using European experience in the Ukrainian realities is somewhat superficial. The concept of local self-government, developed by developed foreign countries, is based on the axiomatic statement that the right of citizens to participate in local government is an integral part of building most modern democracies in the world, and territorial communities are one of the basic elements of any democracy. In this regard, the main directions of problem development are considered, which are considered by both domestic and foreign experts.

At the present stage, Ukraine is undergoing municipal reform, which is an integral part of administrative reform and provides for the elimination of shortcomings

that significantly affect the implementation of management activities. At the same time, it should be noted that the full functioning of the institution of local self-government in Ukraine is also hampered by financial and economic independence of territorial communities, excessive concentration of power in central and local executive bodies, limited powers and resources of local self-government. understanding the need for balanced implementation of foreign experience.

To solve these problems it is necessary to scientifically substantiate and make changes in organizational and legal mechanisms governing local government processes, develop institutional design and conceptual models of local government and on this basis — to introduce European Union standards for administrative and public services, through improving the structure and functions of local executive bodies and local self-government. After all, by joining the Council of Europe and signing the European Charter of Local Self-Government, our state has committed itself to the development of local democracy on the European model.

Ukraine, as a democratic state that has chosen the course of European integration, has identified decentralization as one of the three priority areas of reform.

In the constitutional dimension, decentralization is embodied in the implementation of the principle of people's sovereignty: the people exercise power directly and through public authorities and local governments (Article 5 of the Constitution of Ukraine); division of state power into legislative, executive and judicial (Article 6); constitutional law, according to which public authorities and local governments, their officials are obliged to act only on the basis, within the powers and in the manner prescribed by the Constitution and laws of Ukraine (Article 19); constitutional definition and distribution of powers in relation to the Parliament, the President, the Government, other executive bodies, local self-government bodies (Chapters IV, V, VI, XI of the Constitution of Ukraine); principles of territorial, administrative-territorial organization of Ukraine (Chapters IX, X).

Depending on the subject of research, there are numerous ideas about the axiology of decentralization of public, state, executive power, public administration, its definition, features of typology, classification.

Thus, the Encyclopedia of Public Administration defines decentralization as a method of territorial organization of power in which the state transfers the right to make decisions on certain issues or in a certain area to local or regional structures that do not belong to the executive branch and are relatively independent., is a complex, complex phenomenon in a state governed by the rule of law, a democratic state, which consists in the transfer of a certain amount of power by central government bodies to lower-level government entities that have the necessary rights, responsibilities and resources. The ultimate goal of such redistribution of power is the ability to make effective management decisions at the state, regional and local levels.

The official government website on decentralization reform defines decentralization as the transfer of significant powers and budgets from state bodies to local governments so that those bodies closest to the people where such powers can be most successfully exercised have as much power as possible.

Based on the definition, the main goal of decentralization in Ukraine is to strengthen the role of local self-government, empower representative bodies of territorial communities to manage local affairs, deprive local authorities of powers to prepare and implement district and regional budgets.

Laws of Ukraine "On Local Self-Government in Ukraine" and "On Local State Administrations" became important acts in creating a legal basis for decentralization of power. An important step in this direction is the adoption of the Order of the Cabinet of Ministers of Ukraine "Concept of reform of local self-government and territorial organization of power in Ukraine."

The purpose of the Concept of Reform of Local Self-Government and Territorial Organization of Power in Ukraine is to determine directions, mechanisms and deadlines for forming effective local self-government and territorial organization of power to create and maintain a full living environment for citizens, provide high quality and affordable public services. citizens in all spheres of life in the relevant territory, coordination of the interests of the state and territorial communities.

This Concept is implemented in two stages: the first (preparatory) stage, which was conducted in 2014 and the second stage, the implementation of which is planned

for 2015-2017.

On June 17, 2014, the Law of Ukraine "On Cooperation of Territorial Communities" was adopted, and in February 2015 a practical commentary was prepared by the Civil Society Institute in cooperation with the Council of Europe at the request of the Ministry of Regional Development, Construction and Housing of Ukraine in the framework of the Action Plan to implement the provisions of this Law. The purpose of the adoption of this Law is to create conditions for the implementation of the existing territorial communities in Ukraine of the constitutional right to pool their resources to address issues of local importance.

The Cabinet of Ministers of Ukraine has approved the State Strategy for Regional Development until 2020. The strategy defines the goals of state regional policy and the main tasks of central and local executive bodies and local governments aimed at achieving these goals, and also provides for the coordination of state regional policy with other state policies aimed at territorial development.

The strategy aims to identify tasks and tools to solve social problems, increase the economic potential of territories, productivity of their economy, business profitability and income and, consequently, create conditions for overall improvement of social standards, quality of life and business environment. However, such interdependence requires the definition and implementation of an effective fiscal and redistribution mechanism, otherwise there is a real threat of excessive polarization and growing disparities between economically developed cities and the rest of the country. The development of the Strategy was carried out taking into account the changes that have taken place in the development of the regions of the state in recent years (Fig. 1). In September, the Verkhovna Rada of Ukraine ratified the Additional Protocol to the European Charter of Local Self-Government on the Right to Participate in Local Government Affairs, according to which Ukraine undertakes to create conditions for citizens' rights to participate in local government decision-making and local democracy. This Additional Protocol is now part of national law, as is the Charter. In connection with the entry into force of the Law of Ukraine "On Amendments to the Tax Code of Ukraine and Certain Legislative Acts of Ukraine on Tax Reform" of December 28, 2014, the State Fiscal Service of Ukraine adopted an Information Letter "On special rates of local taxes", Which specifies the provisions of the Law on increasing the financial capacity of local councils, determining the list of local taxes (property tax and single tax) and local fees (fee for parking spaces and tourist tax).

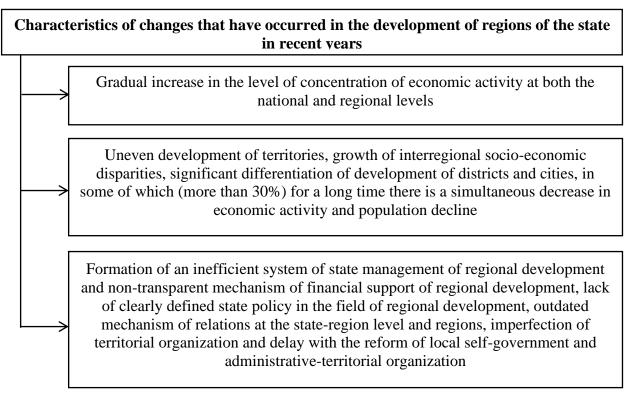


Fig. 1. The concept of decentralization

Source: generated by the author based on [46-48]

At the second stage of the Concept implementation, the Law of Ukraine "On Principles of State Regional Policy" [48] was adopted, which creates a legal basis for the implementation of the new state regional policy, which should cover much more issues than just supporting regional development.

At the same stage, the Law of Ukraine "On Voluntary Association of Territorial Communities" [45] was adopted, which defines a specific mechanism for voluntary association of territorial communities, which did not exist before.

Voluntary association of territorial communities of villages, settlements, cities is carried out in compliance with the following principles:

- constitutionality and legality;
- voluntariness;

- economic efficiency; state support; ubiquity of local self-government;
- transparency and openness; responsibility.

The basic principle is voluntariness, which will be preceded by mechanisms to create incentives for the unification of local governments.

Thus, decentralization is the key to effective territorial development, the path to democratization, real democracy. At the stage of direct implementation of the Concept of Local Self-Government Reform and Territorial Organization of Power in Ukraine, we have a newly created legal framework for exercising the rights of local territorial communities, which corresponds to the vector of European development of local self-government. The process of reforming local self-government is complex and requires a further multifaceted approach to the development and implementation of changes in current legislation of Ukraine in this area.

The state power in providing functions must have considerable resources at its disposal. If it is argued that the state is formed on political and legal education, then its strength and durability should be characterized from the 38th level of development of the apparatus of state power with the appropriate allocation of appropriate resources. The implementation of state functions, and, above all, the functions of the executive branch (through the implementation of public administration), should be carried out based on the real state of the object of influence of power (civil society, individuals and legal entities). This leads to the creation of new principles, forms, procedures and methods in the implementation of public administration, in which special importance is given to processes aimed at decentralization, deconcentration and delegation of powers. Most European countries have chosen the path of administrative reforms through processes of decentralization and deconcentration, which are essentially elements of transfer of functions and certain powers vertically to lower levels of government, local governments with the formation of autonomous organizational structures (communities), which should be financially independent and take full responsibility for performance.

Reforming local self-government in Ukraine and changing the territorial organization of power is based on:

- clear delineation of functions and powers between local state administrations (public authorities) and regional and district councils (local governments) in order to eliminate their duplication;
- definition of procedures in delegation of powers between councils and administrations and procedures of the system of realization of delegated powers;
- implementation of transformation processes of territorial communities, formation of their communal associations and delimitation of responsibilities in the provision of public services. Despite the formality of consolidating the need for deconcentration, decentralization and delegation of powers in Ukraine in the reform process, their actual implementation has the following problems:
- lack of formal definition of the content of these concepts. Ukrainian legislation provides for the formal definition of only the term of delegated powers, which means the powers of executive bodies that are transferred to local governments on a legal basis, as well as the powers of local governments that are transferred to local state administrations respectively (decisions of district and regional councils);
- lack of unified form of concepts in theoretical research. Decentralization, which is the subject of the largest number of studies, is defined as a phenomenon characteristic of the public administration system. This is, to some extent, the opposite of centralizing public administration. Also, in the perspective of the study of decentralization, it is necessary to emphasize the definition of the concept of redistribution of power and the scope of competencies between the central and regional levels of the organization in public power. Decentralization is often seen as the process of transferring responsibility for the planning and implementation of resources, distribution and other components of social governance from the central government to regional and local executive bodies.

The main tasks of decentralization in the field of public administration are determined by the division of functions between central and local institutions, between the Cabinet of Ministers and ministries. Today there are 4 main forms of decentralization: political, market, spatial and administrative. In addition, they include such forms as financial and budgetary, as well as decentralization in the provision of

public services.

Deconcentration in scientific works is understood as the transfer of powers of the central government to local authorities (not representative), and representatives of the central executive power in the field. Decentralization should be considered in more detail as a concept enshrined in law in the field of public administration.

Scholars define decentralization as the process of transferring executive power to local governments, while delegation is only a coordinated mutual transfer of power to different levels of government. In this aspect, deconcentration is the process of dividing functions horizontally and vertically in the executive branch. Uncertainty of formal approaches, diversity of theoretical views and diversity of practice in the implementation of procedures fix the need to determine the essential characteristics of these concepts.

The decentralization procedure has the following essential characteristics:

- the goal of bringing services closer to the population, developing democratic foundations and limiting state intervention in the management of affairs;
- participants: the state in the person of parliament, which is the redistribution of functions and powers; public administration bodies that should lose part of their powers; local self-government bodies represented by the territorial community to which the relevant powers and functions have been delegated;
  - consolidation of powers and functions at the legislative level;
- consolidation at the legislative level of resources that provide the transferred powers and functions;
- consolidation at the legislative level of the types and measures envisaged for the responsibility of local governments as a result of non-performance of powers and functions;
- the state as a central authority reserves the right to control the exercise of powers and functions;

consolidation at the legislative level of the procedure for the timing of this procedure.

The deconcentration procedure has the following essential characteristics:

- goal in improving the implementation of powers and functions of the state, focusing public and administrative services on the population;
- participants: public authorities such as parliament, head of state or government, which have the right to determine the powers of government; public administration bodies that have lost their respective powers; public administration bodies that have received the appropriate powers;
- transfer of powers from the highest executive body in the hierarchy to the lowest, namely, from the representative of the central administration to its representative on the ground (in the format of vertical deconcentration) or within one level (in the format of horizontal deconcentration);
- consolidation at the legislative level of legal grounds for the transfer of powers through an act adopted by a higher body of the state, according to which the transfer of powers from higher to lower executive bodies or redistribution between equal parties by status;
  - inability to set a deadline for the exercise of delegated powers;
- public administration bodies from which the powers are transferred receive the right to exercise control over the implementation of these powers;
- consolidation at the legislative level of the types and measures envisaged for the responsibility of local governments as a result of non-performance of powers and functions.

The delegation procedure has the following essential characteristics: the purpose of exercising the powers of those subjects of power who can do it in the best way; participants represented by public administration bodies and local self-government bodies that have an agreement on the transfer of powers; the authorities have the opportunity to delegate only their own powers; participants in the procedure are involved in mutual agreement on the terms of the transfer of authority (this applies to terms, resources, control, responsibility); mutual consent must be formalized through the issuance of a joint act or administrative agreement or through the issuance of acts by each of the participants in the delegation process; the delegation process can be done both vertically and horizontally.

Thus, decentralization is more a procedure for the transfer of state executive power, deconcentration is the dispersal of state power, and delegation is a redistribution of power.

The implementation of these procedures in Ukraine, first of all, requires elements of delimitation of the subject of jurisdiction of local government and public administration, as well as resources entrusted to local governments.

To a large extent, this trend is due not only to the lack of a clear formal list of functions in the Ukrainian state, but also to the political will to bring a functional survey of executive bodies. To a large extent, the practical implementation of these processes is the transfer of authority to adopt regulations from the government to the central executive body.

It should be emphasized that, despite the use of the term delegation, the transfer of powers in this order is much more like a deconcentration of executive power, although not fully consistent with its theoretical model. In general, the term of deconcentration is not used by Ukrainian legislation.

There is no unequivocal statement about the need to formally enshrine the essence of this term, as well as the adoption of legislation on deconcentration. Deconcentration is rather a generalized theoretical concept, which should not be considered as a one-time state action aimed at the transfer of certain powers.

It should be a more systematic process with organizational and functional and governmental influence. The study of such concepts as decentralization, deconcentration and delegation, as well as the corresponding procedures allowed us to identify the following main ideas for the long-term development of this issue:

- in order to successfully consolidate and implement the voiced procedures, it is necessary to agree on a clear definition of the functions of the state (functions of public administration), to distinguish between these functions and the functions of local self-government. This requires consistent and clear political will in consolidating and implementing these processes.
- political will on the part of the territorial community is needed to implement decentralization processes. Citizens in territorial communities should understand their

own ability to manage the territory without the use of constant care from the state with the appropriate expression of their own interests through local governments. In Ukraine, this process should begin with the deprivation of the right of a public authority official to have representative mandates in local self-government bodies.

- legal regulation of decentralization processes should solve two main problems: ensuring the implementation of guarantees of local self-government and clarity of enshrined powers.

In other words, the world experience provides examples when the state, in determining its powers in local self-government, largely focuses not on the problem of equal or reasonable distribution with local executive bodies, but on problems in providing constitutional and legal guarantees in local self-government.

- the decentralization procedure considers the status and significance (legal and factual) of the territorial community especially intensively. In particular, according to research by French and German legislators, the status of a legal entity should be given first to the community, and then to the representative bodies.
- current regulations provide for the substitution of the concepts of delegation and deconcentration.

This, in turn, causes the similarity of different nature of public administration procedures with the deprivation of the executive branch of financial and other guarantees in the implementation of delegated or delegated powers, which requires consolidation of concepts at the legislative level. – Success in the implementation of voiced processes is possible only in the presence of well-trained managerial staff. The program of preparation for work in the civil service should take into account these trends with the development of the necessary knowledge, skills and abilities in the implementation of these processes.

Today, Ukraine is in a transitional period of statehood formation associated with the association with the European Union, which inevitably requires the transformation of the public administration system envisaged by the strategy for improving public administration for 2016-2020.

In such conditions, the need to change the paradigm of the executive branch, the

transition to its new model is clearly recognized. There is an urgent need to change the role of the executive branch (RIA) in almost all areas of public administration: from the provision of services to the regulator of market processes. The basis for the effective implementation of these functions of the IBA is compliance with the principles of transparency, decentralization, innovation, a combination of state and market regulation, individual freedom and new forms of collective and personal responsibility. The solution of the set tasks is possible by the development of public administration aimed at increasing the level of information reliability, transparency of actions of executive bodies, creation of models of interaction between the state, business and society.

Therefore, the modern paradigm of executive power in a transitional society must have an updated structure. It is formed as a result of the transition from the traditional "paradigm of domination" to a fundamentally different configuration of its content, legal nature, strategy, tactics of building relations within government and in relations with citizens. Thus, the new challenges facing society and the state in the context of globalization and European integration require new approaches to the formation of the system of executive bodies and its activities. The system of ensuring national security is given a special place in defending national interests and protecting state sovereignty.

Given the potential for threats from, for example, geopolitical change or pressure from powerful foreign powers, this is perfectly justified. Today, ensuring national interests is the first thing our state should strive for. National security as an important function of the state, designed to ensure favorable living conditions and productive activities of citizens, institutions of civil society, protection of vital interests of man, society and the state from external and internal threats.

The system of national security is formed by both state and non-state institutions with the use of theoretical and methodological, regulatory, information-analytical, organizational-administrative, intelligence, counterintelligence, operational-search, personnel, scientific-technical and other measures to ensure the implementation of national interests of Ukraine, the welfare of the people and the effective functioning of

the national security system. The functions of the national security system of Ukraine include:

- forecasting and identifying threats and dangers to national security;
- development and implementation of a set of operational, tactical and strategic measures to manage threats and dangers;
  - maintaining the required level of national security;
- ensuring general and regional security in accordance with international treaties ratified by Ukraine.

This is closely related to all directions, forms and manifestations of interaction in the system "nature – man – society". The priority of these levels is determined by the action of many external and internal factors of subjective and objective nature, social relations, political system, economic Constitution, the state of external relations with other countries and other factors. Chief among them is the tendency to the role of social factors in human life and understanding of the economic nature of the problems that accumulate in the biosphere and require them to address the joint efforts of the world community, taking into account domestic and international situations.

The primary basis for the creation and development of the National Security System of Ukraine (NSSS) is the Constitution of Ukraine and other legal acts, according to which the regulation of public relations in the field of national security management.

Describing any system, we note that it is not perfect, because inside each there are flaws. However, it is worth realizing that the price of such a shortcoming may be too high, which will affect the operation of the entire mechanism of the system. This rule directly applies to the national security system: the situation that has arisen requires detailed and rational consideration, the proportional ratio of threats and challenges that may face Ukraine in modern conditions.

Based on the structure of the NNS (National security system), we note that its main purpose is to achieve national security goals, namely – to prevent real and potential threats, which are phenomena, trends and factors that prevent or complicate or may prevent or complicate the realization of national interests and preservation of

national values of Ukraine.

Ukraine's integration into the European administrative space cannot be imagined without the process of adapting national legislation to EU legislation. Adaptation of legislation is a priority component of Ukraine's EU integration process, which is a priority of Ukrainian and foreign policy. Given the above, we note that in order to ensure the national security of Ukraine in the context of European integration, special attention needs to be paid to the process of improving the activities of local governments in the National Security System. Therefore, we approach the definition of priorities and main directions of reforming the National Security System.

We note that the system of national security is not just a set of interacting structures, but also a specific process of forming the legal field and making political decisions in the field of national security. The structure of the National Security System should be a subsystem, the main function of which is not only the development and adoption of public administration decisions on the implementation of national security policy, but also the formation of the legal framework of this policy. This function is performed by the system of public administration of national security, which is a subsystem of the National Security System, which is recognized as a priority for reform of the entire system.

Determinants that affect the national security of Ukraine are the political situation, foreign policy and the effectiveness of public policy in the security sector.

These are national security priorities, but their list is not exhaustive. It is noteworthy that with the changing geopolitical situation, economic development, other social processes, ways of reform and options for improving the activities of local governments in the field of national security are also changing.

With this in mind, we highlight the main ways to improve the activities of local governments in the system of national security of Ukraine, justifying their feasibility and relevance in modern conditions. In the light of the analysis of the factors of the international situation and the existing external and internal political problems, there is an urgent need to form an effective system of protection of national interests of the state, able to adequately respond to current threats and challenges.

To do this, you need to look for effective proposals that seem appropriate and available in the current situation. According to the study, we note several stages in improving the opportunities for improving the activities of local governments in the system of national security of Ukraine in the context of European integration (Table 1).

Table 1

## Stages for improving opportunities to improve the activities of local governments

- 1. Defining a group of legal acts that regulate the activities of local governments in the field of national security.
- 2. Translation of acts of European legislation on national security by local governments into Ukrainian.
- 3. Carrying out a comprehensive comparative analysis of domestic and foreign groups of legal documents on these issues.
- 4. Development of recommendations on the integration of European provisions on national security by local governments into Ukrainian legislation.
  - 5. Forecasting the results of the implementation of recommendations.
- 6. Preparation of drafts and normative-legislative acts, which are among the draft laws on the issue of improving the activities of local self-government bodies in the system of ensuring national security of Ukraine in the conditions of European integration.
  - 7. Monitoring the implementation of tasks.

Source: generalized on the basis of [42-49]

At the same time, the state can initiate a review of proposals to reform the governance system of local governments to ensure national security. The powers of self-government bodies in the management of the security sector are divided into own and delegated.

Delegated powers are the powers of executive bodies that are delegated to local authorities in accordance with the law to ensure law and order in the state, as well as to protect the rights, freedoms and legitimate interests of individuals and citizens to manage the security sector. The self-powers of self-government bodies in the management of the security sector are those that have the relevant provisions of the law that give local authorities the right to act in the security sector.

Self-government bodies carry out their responsibilities for the management of the security sector in cooperation with its member bodies. In addition, local governments are subject to democratic civilian control over Ukraine's security sector, and local governments may establish deputy commissions to exercise such control. We note that the structure of local self-government bodies includes units authorized to address issues of European integration. The current institutional support of Ukraine currently indicates the lack of vertical links with local governments.

However, given the fact that they are directly close to the citizens, they must provide public services to the population in accordance with EU norms and standards. Given the fact that Ukrainian and European documents in the field of local self-government differ significantly, and the former are characterized by a number of significant shortcomings, there is a need to reform the Ukrainian system of local self-government and executive bodies. There are plenty of examples in the European experience from which to draw ideas for relevant reforms.

The European integration vector of Ukraine's development and the steps already taken in this direction have significantly expanded the ground for solving the problems of national security with the involvement of local governments.

In the process of ensuring national security and taking into account the European integration trends of Ukraine's foreign policy, such potential for cooperation between local governments and state bodies is due to:

- a significant improvement in the sensitivity of the management system to threats arising in certain regions with the potential to spread throughout the country;
- mobility of resources and subjects of management in solving problems of national security, their operative transfer from one level of management to another for the purpose of effective use where they are most necessary;
- high level of standards for the implementation of national security policy (taking into account the requirements of the EU and NATO's defense policy system);
- gaining unique experience in overcoming military and terrorist threats by introducing a mechanism of military-civil government and its interaction with local governments.

Given the above, we approach the formulation of the following conclusions:

1. International experience in the field of local self-government development shows that its bodies are full-fledged subjects of international cooperation and

European integration, this experience is very relevant for domestic practice of public administration.

2. The state should provide local governments with appropriate legal and institutional support that would allow them to more effectively implement the processes of integration into the European administrative space in order to realize the European integration aspirations of our state.

In this regard, we make the following suggestions. First, pursuing the goal of creating a solid basis for the development of legislation in the field of European integration, reforming the system of local governments and improving their activities in this area, as well as promoting national security of Ukraine, we put forward the following proposal in accordance with Constitutional provisions: within its own competence, cooperating with local governments of foreign countries, public organizations, international non-governmental institutions and other bodies interested in such cooperation, without violating the legislation in the field of national security of Ukraine.

Secondly, revise the Law of Ukraine "On Local Self-Government in Ukraine" in order to change and supplement the norms that affect:

- exercise of powers (own and delegated);
- division of functional responsibilities and powers;
- use of modern terminological apparatus in the research area;
- legislative definition of permits for local self-government bodies of Ukraine regarding their full rights in international cooperation, European integration and conclusion of relevant agreements with foreign partners, taking into account the peculiarities and specifics of national legislation.

Thirdly, it is necessary at the legislative level to introduce norms that allow to promote the balanced application of the project methodology in a mandatory manner. In Ukraine, which is actively reforming local governments, attention is paid to such important issues as international cooperation and European integration, which is why this necessitates further research.

We believe that local governments in the current conditions of state

development, Ukraine's integration into the EU and confronting real military, terrorist and economic threats, while able to overcome the open aggression of the neighboring state, should take a more active position and gain greater opportunities in regional and local issues.

There is a need to develop an appropriate regional security strategy for each region. This strategy should include a number of scenarios, each of which should include specific measures of influence by local governments, determining the level and scope of use of regional security policy resources, and so on. It is necessary to introduce models of interaction of self-government bodies of neighboring regions in case of intensification of threats to national security that have a local character or origin from a particular region. Such interaction should be legalized at the level of a separate law and take place within the framework of specially implemented programs and response scenarios developed by the competent local self-government bodies. Fourth, it is necessary to develop and implement a mechanism for coordinating the activities of local governments and authorities in matters of national security. Such coordination should concern not only managerial relations but also resources. Prospects for further research in this area may relate to the definition of the essence and functions of territorial defense as an element of the national security system of Ukraine.

Foreign experience shows that the practical application of decentralization and one of its four forms – deconcentration – led to the emergence of phenomena and processes of regionalization in European countries (ie regionalization), which, in turn, influenced the transformation of established forms of government in these countries. That is why in many countries of the world it has historically happened that during the XIX–XX centuries new forms of government were established, which are not only the basis of municipal and regional autonomy, but also ensure their effective functioning. According to Western scholars, the leading principles of European policy are deconcentration, decentralization and regionalization, and "local and regional autonomy have become the principles of European constitutional law, ie a constitutional law common to all European countries." This is due to at least two circumstances.

First, it is through their familiar and transparent spheres of life that municipal (local) and regional autonomy make it possible to solve social problems as close as possible to the interests of citizens.

Secondly, municipal and regional peculiarities, as well as knowledge of local and regional problems by citizens and public associations can be considered and solved directly only at the municipal (local) and regional levels, which allows for the implementation of people-oriented municipal and regional policy.

Despite the fact that the classic forms of government in different countries remain unitarism, federalism and confederalism, research in recent decades shows that each of these forms has its own characteristics, which gave grounds not only to make a proper classification of individual states, but also to derive such forms. state system, as unitary decentralized and unitary regionalized.

There are currently 168 unitary states, of which 130 are republican and 38 are unitary monarchies. There are 27 federal states in the world, of which 21 are republican and 6 are federal monarchies. To carry out administrative reform in the EU before the 2004 enlargement, European experts regionalization in these countries, classified them on certain grounds.

The unitary system is preserved by Greece, Ireland, Luxembourg and Portugal, which became members of the EU in the second half of the twentieth century. What these countries have in common is that they are relatively small in territory (Ireland, Luxembourg) or only a few decades ago freed from authoritarian regimes (Greece, Portugal). Therefore, if the preservation of unitarism in Ireland and Luxembourg can be seen primarily in the presence of small territories (Luxembourg) and homogeneity of the population (Ireland), the Greek and Portuguese unitarism, in addition to homogeneous factors, continues to persist historically, and possibly due to short-term authorities.

Poland, the Czech Republic, Slovakia, Slovenia, Hungary, Romania, Bulgaria, Croatia, Estonia, Lithuania and Latvia, which joined the European Union at the beginning of the XXI century (2004, 2007 and 2013), also retain the classic unitary form of government.

Unitary regionalized states are the subject of research not only by European but also by many other foreign scholars, who have significantly expanded their list to include Ukraine.

Foreign experience shows that a regional state is more centralized than a federation, but more decentralized than a unitary state. On the other hand, regional states include federations in which power has become more centralized, and unitary states where some power has been transferred to regional government. Subnational (subnational) regions are the intermediate level between local and national government in both forms of government.

The need for a fundamental study of world experience in the formation and development of new forms of government is actualized by the current situation in Donetsk and Luhansk regions, separatist phenomena and processes which have led to the elimination of the state system in some areas. Separatist-Russian terrorist groups continue to violate the territorial integrity of our state by fighting, and their leadership is trying to impose federalism on Ukraine in a so-called diplomatic way. Given this, it is necessary to actively seek answers to questions [41]:

- to what extent is it necessary to deconcentrate and decentralize power and administration in order to preserve, on the one hand, the territorial and administrative integrity of the state, and on the other to create an effective municipal (local) and regional levels of government?
- Should the existing unitary regionalized form of government be improved and developed, filling it with adequate, modern realities, or should it be left "preserved", or should a federal form of government be introduced?

These and many other similar issues are on the agenda of scientists, experts, politicians and government officials as never before. Problems related to the form of government and accumulated over the decades have been reflected in the many solutions to various reforms and in a number of political and legal documents developed over the past two decades, which today are a good basis for reform.

In many countries around the world there is a situation where new ways of organizing the territorial (regional, local) level of government are introduced to

increase efficiency and improve democracy, despite the old ways and approaches, so regional and local levels of government are becoming increasingly difficult [49].

The emergence of new forms of government in recent years (unitary decentralized and unitary regionalized) is explained primarily by the application of the principles of deconcentration, decentralization and regionalization, which are key in modern territorial governance.

Unitarianism should remain a form of government in Ukraine, which in the context of decentralization and regionalization phenomena and processes (as more democratic) that take place in the world, should be gradually filled with qualitatively new content permeated with historical, ethnopsychological, socio-economic, political legal and other features and traditions that have accompanied Ukrainian statehood for centuries.

The optimal organizational structure of public administration in practice is also related to the problem of choosing between centralization and decentralization. The division of powers between the state, regional and local levels of government is an important factor in the state's ability to improve the provision of services to the population, as well as to help create an appropriate environment for regional economic development.

A similar effect can be achieved both through decentralization (political and administrative approach) and through deconcentration (mostly) administrative approach, or a combination of both.

According to the system of deconcentration, the powers of the local level are transferred to public administration bodies, which perform them within separate territorial units. Control is exercised through the introduction of financial and disciplinary measures. In combination with parliamentary governance, deconcentration usually has an important centralizing effect, as it is the prime minister who, if and decentralization necessary, decides on governance policies. Instead, decentralization involves the transfer of power to the government or its bodies to representatives of local territorial groups, and the latter have no direct responsibility to either the government or its bodies. In contrast to the federal system, in the model of decentralization of the unitary state there are local authorities, which are formed by the central government. This means that they are endowed only with the powers delegated to them by the government.

Administrative decentralization in Poland contributed to the independent development of local self-government, improved the quality of life of its citizens and, finally, after the country's accession to the EU, allowed newly created administrative units to act as equal partners in international cooperation. Studying foreign experience in the implementation of decentralization reforms can help to avoid some biased and incorrect approaches typical of modern Ukrainian practice of governance "from the center", so best practices of decentralization for Ukraine at the stage of strengthening statehood are primarily meaningful.

Foreign experience confirms that even in politically, economically and socially successful countries (France, Great Britain, Italy, Poland) they had great problems in the process of decentralization of power. In the context of a deep political, economic and social crisis, this factor should be taken into account in advance in order to prevent the possible negative consequences of decentralization. In this regard, it is necessary to ensure consistency in the implementation of this process, in particular, the authorities are obliged to ensure the ability of the people to participate in the management of sociopolitical and socio-economic processes in the state.

Many foreign countries have developed a set of procedures aimed at improving the effectiveness and efficiency of public financial control, improving the activities of executive bodies and other bodies that use state resources, as well as increasing transparency of executive bodies and other budget recipients. to be able to determine personal responsibility for decisions and actions taken by government agencies. The purpose of implementing these procedures is to independently, effectively and objectively assess the performance of the executive and other bodies that use public funds.

In France, these indicators are enshrined in the Budget Organization Law (LOI organization n 2001-692 du 1 aout 2001 relative aux lois de finances: LOLF). The law obliges each Ministry to draw up an Annual Implementation Plan, which sets out for

each program: the tasks to be achieved; performance indicators for performance evaluation (Indicateur d'efficience) and their target values; performance indicators (Indicateur d'efficience) and their significance.

In addition, each Ministry must prepare an Annual Executive Report on the results of its work, which must be submitted to Parliament after the end of the financial year. In the Communication to each Ministry it is necessary to clearly indicate for each program such elements as: the degree of implementation of tasks; the degree of achievement of target values of performance indicators to assess their effectiveness.

Therefore, an extremely important area of decentralization in Ukraine is the introduction of mechanisms to unite the efforts of different territorial communities to implement certain functions, both by combining them into one municipality and through inter-municipal cooperation. At present, the first attempts to unite territorial communities according to the method approved by the government are being implemented in Ukraine. In general, this is in line with current European trends, although it should take into account a number of caveats.

Thus, the processes of consolidation of the basic level of administrative-territorial organization took place in all European countries. In particular, since 1950, the total number of local governments in Europe has decreased by almost 40,000. Lithuania, Sweden and Denmark have reduced the number of local governments by 80%, the United Kingdom – by 77%. Germany once halved the number of communities. The reforms of 1965–1977 either united small communities into larger units or grouped them into associations of municipalities under joint management.

This trend was initiated in the Nordic countries, whose governments were the first to decide on the consolidation of territorial units to the size that is optimal for the implementation of government social programs. The motivation for such reforms, in addition to political factors, was based on balancing the goals of economic efficiency of public services and democracy at the local level, ie community participation in governance. Theoretically, as the size of the community increases, the economic benefits increase due to the effect of scale, but the level of community influence on decision-making decreases.

Accordingly, management is moving away from residents. The study of the empirical experience of the association of territorial communities and the impact of community size on the effectiveness of its management has revealed mixed results.

In general, there are two generalized schemes of unification of territorial communities among European countries: the northern European one, in which large municipalities were formed (Sweden, England) and the southern European one – with the amalgamation of communities into relatively small municipalities (France, Italy). Accordingly, municipalities of different sizes and powers were formed. In Sweden, the average size of the community is 34 thousand inhabitants, in Denmark – 55 thousand, in England – 120 thousand. In some German states, reforms have led to an increase in the average size of the municipality to 45 thousand inhabitants.

The voluntary phase of the community reunification process mainly concerned the details of the adaptation of the communities to the territorial structure plan proposed by the government. If consensus could not be reached voluntarily, the decision to merge was made centrally. Such experience of voluntary association of communities should be taken into account when implementing similar events in Ukraine. Obviously, there will be a lot of subjective conflicts in this area, which will not allow to make the optimal decision from the standpoint of improving management efficiency.

Another model for the formation of effective local self-government is in Spain, Switzerland, Italy and France, where the number of municipalities has not changed. The latter is the leader in Europe in the number of local governments, there are more than 36 thousand, and the population of most of them does not exceed 2 thousand.

However, most of the functions there are implemented through the institutions of inter-municipal cooperation, of which more than 2.5 thousand have been established in France. Such institutions may have different organizational forms and perform different functions. Their creation and operation is voluntary and is initiated by the communities whose tasks they are called to perform. This approach differs significantly from the centrally planned association of communities and provides individual solutions to various territorial problems.

In general, the main trend in the processes of administrative-territorial reform is

the formation of strong basic administrative-territorial units capable of exercising local self-government. However, the question of the size and functions they have to perform is individual not only for the country, but even within individual regions. Therefore, it should be addressed with the direct participation of local communities.

Obviously, it will not be possible to unite all communities in Ukraine voluntarily, so while leaving room for small communities, it is important to provide them with tools to solve common problems with neighboring communities. Among Ukraine's 12,000 territorial communities, half are small with a population of less than 3,000. Therefore, the main reform efforts should be focused on them, because in the current conditions they have no chance of effective self-government.

Much more important is the quality of municipal governance and the institutional provision of conditions for the consolidation and cooperation of local governments in the provision of certain public goods. Nobel Laureate in Economics E. Ostrom has formulated a number of principles, adherence to which will solve the problems of territorial governance from the standpoint of optimality and democracy.

- 1. Local communities can effectively manage public resources, and the quality of this process depends on the community's ability to self-regulate.
- 2. The results of the creation of public goods depend not so much on the form of ownership, but on the rules governing the creation and use of public goods.
- 3. Decentralization of power becomes possible and expedient if all participants in the process are interested in its implementation, the interests of users of public resources are agreed, and the quality of life of the population improves.

In the process of European administrative convergence, aimed at unifying the organization and activities of public administrations of European countries, the modern significance of fundamental principles of standards, standards and rules common to these legal systems was systematized, generalized and revealed. issues of organization of the national public administration.

Unfortunately, the current content and significance of many European principles of public administration in relation to the organization of public administration (conditionally – "institutional" principles) have not yet been enshrined in current

legislation of Ukraine, need to review approaches to their interpretation and practice [50].

In historical retrospect, some countries have applied some of these basic institutional principles, or a combination of them, so their analysis requires consideration of the specific historical stage of development of social formation. In connection with the creation of the EU, it is important to take into account the application of the principle of subsidiarity in the national legal systems of member states, as this principle plays an important role in determining the competence and authority of public authorities at EU level.

In domestic science, the provision was substantiated that "the exercise of executive power is provided by a certain organizational and legal mechanism, which in legal science is considered as a combination of a set of subjects, the process of their activities, and regulations that provide a proper legal basis both the existence and functioning of these entities."

We consider it expedient to analyze the principle of decentralization separately. The primary analysis of the content of this principle is due to its importance for the current stage of development of the domestic administrative and legal sector, administrative and legal reform, including the reform of the administrative-territorial structure of Ukraine. According to the definition given in the French reference and encyclopedic dictionary of public administration, the principle of decentralization is defined as a way of organizing public power, which has two main forms:

- 1) territorial decentralization (or political);
- 2) functional (or technical) decentralization (Table 2).

In Ukraine, the fundamental basis for the organization of state power are enshrined in Art. 132 of the Basic Law stipulates that "The territorial structure of Ukraine is based on the principles of unity and integrity of the state territory, combination of centralization and decentralization in the exercise of state power, balance and socio-economic development of regions, taking into account their historical, economic, environmental, geographical and demographic features, ethnic and cultural traditions ". In our opinion, the presented constitutional model of

combining two different principles reflects the transitional stage of development of the principles of organization of state power in Ukraine from the Soviet totalitarian to the perspective legal, social, democratic state.

Table 2
The principle of decentralization (on the example of France)

PRINCIPLE OF DECENTRALIZATION			
territorial decentralization (political)	functional decentralization (technical)		
Main elements:	Main elements:		
1. recognition by the state of the existence of "administrative-	1. separation from the total volume of public activity of a certain type of activity (for example, in France, functional		
territorial entities" (ATU);	decentralization is manifested in the division of the		
2. granting ATU the status of a legal	specified volume of public activity for services provided		
entity;	by public administration, is called "decentralization for		
3. organization of ATU on an	services";		
elective basis;	2. granting authority to manage this type of activity to a		
4. transfer of state powers on the	separate specialized institution (organization);		
basis of law to the relevant	3. granting the status of a legal entity to the relevant		
decentralized authorities.	decentralized authorities.		

Source: systematized by the author on the basis of [46-54]

Thus, the domestic doctrine of public administration requires the development of legal thought in the direction of studying the content and modern features of the principle of decentralization, separating its content from the requirements of the principle of hierarchy, which in European science of public administration determines the procedure and rules.

Particular attention in the decentralization of the Russian invasion and refusal to import energy from Belarus and Russia is to find ways to provide the Ukrainian economy with alternative sources of energy resources is necessary in the short term. The fastest solution is to use the existing potential of the agro-industrial complex for the production of energy from biomass and products of the processing industry.

Conducted research Gontaruk Y.V. confirm the importance of the issue of processing waste from the production of personal farms for biofuels. The implementation of the developed directions of development of biogas and solid biofuel production in private farms in the short term will reduce Ukraine's energy independence from energy imports and create additional jobs in rural areas. The use of

digestate in private farms will increase the yield of crops and reduce the cost of their production due to the lower cost of this fertilizer compared to nitrogen fertilizers. Dual purpose of the corresponding equipment will allow to provide fodder to subsidiary farms. Stimulating the production of solid biofuels through government subsidies to private farms to compensate for the cost of equipment will provide in the short term will significantly reduce natural gas consumption [55].

Research Mazur K.V. confirm the fact that private farms can partially or completely provide their own fuel needs for heating through self-processing of straw and other residues from their own agricultural production. Today, in addition to semi-automatic presses for the production of pellets, the cost of which ranges from 12 thousand UAH to 30 thousand UAH, there are offers on the market manual presses worth 1.5-2.5 thousand UAH per unit. With the help of which it is possible to produce solid fuel briquettes from straw of cereals and legumes and fallen leaves at home [56].

As a result of the study, an important scientific and practical task on the formation of the organizational structure of local government in the decentralization of power on the example of Vinnytsia Regional Council and analyzed problems and develop ways to improve it. As a result, the following conclusions were made:

- 1. The functions of local self-government bodies should be grouped into the following groups: general, special and support (auxiliary). Since the activities of local governments cover a wide range of issues of local importance, which, moreover, are the object of their activities, but have not received proper legislation, which complicates the distinction between categories such as "local issues" and "national issues", it is impossible to investigate the whole complex of their functions.
- 2. In Ukraine, the model of building a system of public administration bodies should be simplified, taking into account the principle of functional decentralization according to the main types of public services provided by them.
- 3. The main goal of decentralization in Ukraine should be to strengthen the role of local self-government, empower the representative bodies of territorial communities with greater powers to manage local affairs, deprive local authorities of powers to prepare and implement district and regional budgets.

- 4. The creation of OTG is a very promising area that ensures the development of local self-government in a decentralized environment, will allow communities to use property and income at their own discretion and satisfy their own interests.
- 5. European and world practice show that local problems can be effectively solved only at the local level. Decentralization involves the transfer of the power to solve local problems to the level closest to the people from central government to local governments directly to communities, and to provide them with their own financial resources that will enable them to solve these problems. The responsibility of local self-government bodies to the voters for the efficiency of their work is being introduced, and the responsibility to the state for legality is being introduced to the state.
- 6. There is no universal model or methodology in any country that can be fully and unchanged applied in Ukraine. Different historical conditions of development have contributed to the formation of several models of local government, specific features of which are the types and forms of relations between local governments and public authorities. Currently, in European countries there are three main models of organizational structure of local government, which emerged during the municipal reforms, namely: Anglo-Saxon, continental, mixed.
- 7. The main ways to implement decentralization reforms in Ukraine are: separation of powers, rights and responsibilities of different levels of government in accordance with the rule of law, democracy and civil society, which will achieve a balance of interests in public relations; development and implementation of operational regional policy aimed at ensuring balanced local and regional development; ensuring the implementation of the principle of subsidiarity as a way of overcoming conflicts of interest between local executive bodies and local self-government bodies; ensuring the expansion of the rights of territorial communities to address their livelihoods.
- 8. It is necessary to develop a program to support private farms in rural communities, which will provide compensation for interest on loans for the purchase of equipment for biofuel production.

We believe that the necessary steps to implement the reform of local self-

### SCIENTIFIC AND PRACTICAL PRINCIPLES OF DEVELOPMENT OF TERRITORIAL COMMUNITIES IN THE CONDITIONS OF DECENTRALIZATION OF POWER

government and territorial organization of power in Ukraine at the legislative and practical levels should be:

- introduction of a three-level system of administrative-territorial organization of Ukraine (region, district, community with the capacity of local self-government);
- transfer of executive functions from local administrations to executive bodies of councils of the appropriate level;
- distribution of powers between local self-government bodies on the principle of subsidiarity and endowment of communities with the widest possible range of powers;
- clear provision of the powers of local self-government bodies with the necessary financial resources, including through their participation in the distribution of national taxes;
- liquidation of state administrations and creation instead of state representations with control-supervisory and coordination, instead of executive functions.

Carrying out local government reforms will require adequate staffing. Therefore, the problem of formation and implementation of effective personnel policy on the ground, improving the system of training, retraining, advanced training of officials, employees of local governments, deputies of local councils, the introduction of professional training programs for local governments and more.

The basis for successful decentralization should be the maximum transfer of the united territorial communities to self-sufficiency, meaning the development of entrepreneurship in rural areas.

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# 4. Scientific and theoretical aspects of management of proektami and programs in the field of public management

The effectiveness of public management today is the most important factor in the development of the territory (OTG, cities, regions and the state in general), it is worth noting that object management is now one of the most urgent and modern management technologies, which continues to develop rapidly. There are many fields of application of the concept of object management, and they can cover virtually all spheres of human life, including public management.

For many public authorities, the objective method remains quite an unknown direction in management methodology, but most of them still prefer a traditional approach to management, so they use either outdated methods of command and administrative management or some of the latest approaches to functional management.

Under the present conditions, object management becomes one of the most urgent and progressive management technologies, when application of the concept of objective management covers almost all spheres of human life, including public management, the issue of implementation of objective approach to the activity of public administration bodies is significantly updated.

Due to the implementation of the objective approach, the time-frame for achieving the planned results will be reduced, resources will be used more effectively, and management decisions will be more rational and justified. In this connection, application of objective approach in the activity of public administration bodies requires increase of awareness and competence of public servants in methodology of object management, formation of practical skills of possession of objects management instruments. At the same time, taking into account the current state of the development of science of public administration, it should be noted that research on this subject not only does not lose its relevance, but also needs to be continued.

Object management is one of the most relevant technologies that continue to develop, more and more often in scientific literature such terms as "object

management", "object management", "object management", "object management", "object management", "object management in state administration" are found.

The methodology of objective management is considered to be one of the most progressive directions of management, which gives an opportunity to receive qualitative results with observance of the given time and financial limitations.

Subject management requires attention to such issues as requirements management, objective culture, communications, documentation, quality, risk management, methods of generating the idea and considers all necessary works in the context of the phases of the project (strategic, planning, implementation and closure) [62].

Analyzing the research of many scientists on the efficiency of object management of innovations and objects of development at all levels of management, it is possible to say that object management is one of the most actual and progressive management technologies, the most effective instrument in the fight against curves and continues to develop rapidly.

There are many areas of project management that cover almost all spheres of human life, including public management, so public administration in Ukraine is gradually being created. In their studies About. Obolon notes that the establishment of Ukraine as a full-fledged competitive partner in the world civilized and formal space requires scientific substantiation of the basis of public management. Public administration is the realization of a combination of rational (i.e., programd and separated from the possible external environment) influences on the functioning and development of the collective of people on the basis of the management program and information on behavior and the state of the object of management aimed at support, improvement and development of the object of management to achieve the set sum of goals [72].taking into account

The practice of realization of the projects takes its beginning from the time of occurrence of civilization, because the construction of the Egyptian pyramids, the Great Chinese wall and many other atrocities in the history of mankind were nothing but giant in the scale of administrative objects [61].

Modern methodology of object approach became popular in developed European countries in 50-s of XX century, it was then that for management of complex objects of the organization began to systematically use tools and techniques of object management [67].

Today, the objective approach is used in the activities of both private and state institutions of all the leading countries of the world. It is considered the most suitable for management of complex systems in modern conditions and has become the "generally recognized methodology of management activity realization" [64].

Projects, programs and development strategies are recognized as the most important elements of the organization's strategic goals in both the business and public sectors. Thus, concepts of development strategy, object management became key conditions in the current activity of public administration bodies in realization of state policy, rendering services, development of national programs or use of material and financial resources [58].

It should be noted that under the system of management is considered a combination of all elements, subsystems and communications between them, as well as processes that provide well-defined (purposeful) and qualitative functioning of the state. The main subsystems of the public management system are: Methodology, structure, technique and management mechanisms.

In modern conditions of development of society along with existing traditional approaches for today popular and actual is the object method of realization of strategic goals of a specific territory.

The urgency of this approach to management is caused by the fact that in the modern world the speed of realization of initiatives is important in order to have a competitive advantage, the state constantly necessary innovation developments in limited terms [59].

It should be noted that scientists, researchers, and experts in the field of object management are given much more signs that characterize the object. For example, in addition to the ones we have mentioned, we can say the following characteristics: uniqueness, target orientation, coordinated implementation of numerous and

interrelated actions, increased risk, complexity and other, for full understanding of the essence of objective management and its differences from other approaches in the sphere of public management will be stopped on comparative characteristics of traditional and objective methods.

It is necessary to emphasize that it is rather difficult to define a definite limit between the mentioned approaches, since object management does not exclude in its activity application of the instruments of process, program – target, administrative, functional, system and other existing approaches to management.

As practice shows, in the system of public management it is impossible to see in the pure form of use of one of management approaches (as a rule, the aggregate of several in a single complex system is applied).

Understanding differences in approaches is only necessary for better and more effective application of each approach. In this connection we will give only exceptional characteristics, on which object management has advantages in modern conditions.

In modern conditions of development of territories (OSH, cities, regions, state as a whole) practical application of the objective approach in Ukraine is gaining momentum.

Project activity covers all spheres of activity of the enterprise (production, marketing and innovation activity, social sphere, etc.).

Object management in the public sector has ceased to be a new management paradigm, now it is possible to say with confidence that object management is another important stage of the formation of a culture of governance in state bodies [66].

Implementation of objective management is not just a tool for successful realization of state investment projects, it is one of the tools of development of the country's economy, its competitiveness on the world scene, improvement of the quality of life of the population, and also a tool for changing outdated bureaucratic closed thinking. Object management is considered a new and command method of interaction.

It is worth noting that examples of successful implementation of object

management in the public sector exist, here it is important to understand that it is impossible to copy the experience of other countries. However, to study the main directions and trends of implementation of object management in other countries still worth.

Unlike commercial organizations, which use objects as instruments of strategic development and realization of investment activity, for example, for construction of infrastructure objects, in the public sector of economy objects are most often directed to solving mixed socio-economic tasks, therefore it is important that the project does not violate already formed effective institutional relations within any branch of public sector, because in the process of achievement of objectives of the object, any actions of economic entities to maximize utility and minimize losses trigger a mechanism of likely changes and reject the system from the state of equilibrium [61].

The essence of the objective approach is to form the basis for development programs and objects, ideas about priorities and directions of work, necessary for achievement of the set goals. The central aspects in this case are the analysis of resources for development, the system of cooperation between the subjects, and the organization of activities on development and realization of development strategy [59].

Thus, the objective approach is an innovative instrument that has become recognized in the business environment and is actively implemented in the activities of public administration bodies. For a deeper study of the peculiarities of the object approach, let us define the term "object" and outline its peculiarities in the sphere of public management. So, according to Webster's interpretation, the most common sense project is something that is planned or planned.

In the context of the concept of object management, the term "project" is understood as a system of formulated tasks, physical objects, technological processes, technical and organizational documentation created and implemented for realization of these tasks, as well as a combination of material, financial and other resources and managerial decisions concerning their implementation [62].

The term "project", as defined by the Institute of Object Management (USA), is a temporary effort aimed at creating a unique product or service with limited resources [64].

A number of scientists define this concept as "a process that is limited in time, deadlines, deadlines, and can be limited by financial flows aimed at achieving specific unique goals and objectives in different sectors of the economy and social development". The project differs from the current activity (separate business processes) by its uniqueness, defined period of realization and uniqueness in time. Thus, realization of objects requires from participants of business processes some skills corresponding to its specific characteristics [68].

At the same time, as it is listening to emphasize About. Podolskaya, the project is limited in time, resources and quality requirements unique combination of processes aimed at creating a new value. However, we consider a somewhat controversial definition of the object of R. Oliynyk "as a temporary activity with a clearly defined start and end, aimed at achieving certain set goals and objectives, which will lead to benefits, changes or added value" [58].

Taking into account the public sphere of application of the object approach, a well-known researcher A. Championship under the public domain is understood a complex of interrelated logical and structured tasks and measures, organized in a time-scale, aimed at solving the most important problems of development of the state, separate branches of economy, administrative-territorial units or territorial communities, organizations and institutions and are implemented in conditions of financial and other resource restrictions within specified time limits [65].

Thus, the definition of the term "object" has been systematized to indicate that this concept has a double meaning. On the one hand, it is activity, a combination of processes, which provides for implementation of a set of certain actions for achievement of certain goals; on the other hand, it is a system of tasks, technical and organizational documents, which describe and justify a certain combination of actions to achieve the specific goals set in advance. We are inclined to believe that the project should be understood as a document in which specific methods and instruments describe, justified and detailed certain activity (the aggregate of processes) in order to achieve the pre-determined and desired result with clearly specified resources in

specific terms.

Examining the influence of theoretical knowledge and analyzing the definition of the term "object", we consider it expedient to distinguish the following characteristics: [67]

- a list of tasks, a combination of processes aimed at achieving a specific goal;
  - determination in time limits, material and financial resources;
  - innovation, uniqueness of the created product (result) of the object;
  - coordinated implementation of related actions;
- ability to assess the effectiveness of the activity and product of the object, clearly defined performers of the object and their responsibility.

Also note that the main elements of the object are: [69].

- the idea, problem, task with specific goals;
- quantitative and time-limited means and resources (financial, material, labor) and a unique product of the object (the result obtained in the process of realization of the object, which satisfies the needs and interests of participants and stakeholders of the object) with the possibility of its evaluation.

It should be noted that in practical activities of public administration there is a confused in the use of the "object" and "program", which are sometimes unrightly identified. In practice, this leads to the fact that, by implementing certain programs of different levels, managers believe that they are applying an object-based approach, the capabilities of which are not fully utilized.

There is a clear distinction between the terms "program" and "project". In particular, the programs are numerous activities carried out over longer periods of time to achieve certain goals compared to those developed over a shorter and more fixed period of time.

The Program is a set of measures and objects United to achieve certain strategic advantages. In other words, the program is a group of objects aimed at obtaining benefits that cannot be achieved by individual objects (execution of the whole program provides synergistic effect of realized objects).

Therefore, the programs of object management in public administration are a portfolio of objects [68].

Object management is a methodology of organization, planning, management, coordination of labor, financial and material-technical resources aimed at effective achievement of the project goals and ahead of the defined results from the composition and scope of works, cost, time, quality through application of modern methods, techniques and management technology [63].

Unfortunately, almost nowhere are the objects formed as a joint purpose of the hierarchical aggregate of works, methods of structuring of works on their logical, resource and time connection, no matrix of responsibility of the performers, no teams on managing objects with defined powers and responsibilities are created [67].

Thus, these concepts have different content loads. Thus, the peculiarity of object management in the sphere of public management is the understanding of objects and programs of development as objects of management. It is also necessary to pay attention to the definition of the essence of the word "project management" (or object management), to the interpretation of which many scientists have taken part.

For example, specialists of the Institute of Prospekts Management (USA) give the following definition: "project management is the art of managing and coordinating human and material resources during the life cycle of the project through the use of a system of modern methods and management techniques to achieve the results determined in the project by the composition and scope of work, cost, quality and satisfaction of the needs of the participants of the project" [60].

Well-known researcher L. Kobyliatsky believes that the project management is an activity aimed at realization of the project with the maximum possible efficiency with the given restrictions on time, funds (resources) and quality of the final results [62].

According to L. Richkin, project management is a combination of actions aimed at achieving certain inrepetition on their characteristics and peculiarities of the result, which is carried out in advance of the specified term, within the limits of the necessary resources (financial, personnel, material, etc.) [59].

The most successful, in our opinion, is the definition of S. Shokurov, who notes that object management is a sort of process of managing the team and resources of the object, which can be organized and structured with the help of specific methods, through which the object is completed in a specified term successfully and reaches the set goal [61].

As noted by T. V. Sivac, objective management is primarily a professional activity based on the combination of the most modern scientific knowledge and technologies in different spheres and branches with practical skills and aimed at getting the most effective result in the process of achievement of desired effect or planned changes.

However, in the field of public administration, objective management is often seen as a modern technology of social development management based on object management and usually acquires forms of social object as a plan, program or idea, which is executed for creation of something unique (qualitatively new social system, management services, promotion of human resources development and certain branches of modern production) on the basis of partnership relations between the authorities and citizens [70].

The analysis enables us to propose our own definition of project management, which means time management professional activity in planning, organizing, and controlling the rational use of material, financial, and labor resources, motivation and control of rational use of material, financial and labor resources through the use of a set of specific methods and tools for the achievement of the pre-determined goal within the time frame set in the project.

It is worth mentioning the specificity of project management, which is characterized by the fact of time-consuming activities aimed at achieving a certain goal, requires a high level of competence from both the project manager and the local councils who learn from it to take a more systematic and rational approach to solving community problems. In this way, a favourable environment is created for socio-economic, cultural development at the local level through self-organization and social activity of the inhabitants of a given locality, which opens up new possibilities for the

development of territorial communities [75].

Project management in public sector management includes both methodological (a set of knowledge, skills, methods, tools and technologies of project management, necessary for project implementation) and organizational (project team, which carries out the process of project implementation management) components. Since the development and implementation of the project is carried out in a dynamic environment, it requires a constant and timely communication with the stakeholders of the project.

Unlike the private sector, public sector management of projects has its own specific features, namely: [66].

- The implementation of projects in the public sphere is aimed at implementing the development strategy and satisfying the needs of the territorial community and is carried out under the aegis of the public management body;
- during the implementation of the project in the public sphere there are a large number of participants who are involved and accountable to the territorial community as a beneficiary;
- In the formulation and implementation of projects in the public sphere, community participation and the establishment of a direct and constructive link with the territorial community are important;
- Financing of projects in the public sphere is done fully or partially with budgetary funds, which increases the responsibility of local authorities for the rational use of limited financial resources of the territorial community;
- public sphere projects are more difficult to evaluate as they can only result in a social effect and not a financial one.

We agree with I. Chikarenko, who sets out the main arguments for the feasibility of using a project-based approach to the design and implementation of programmes and projects in public management:

- Project management is a universal concept that can be applied to the implementation of any project in any field, from education, science and medicine to high value industry, the armed forces and the defence sector;

- The problem of time and cost control can be solved effectively on the basis of project management (both from the side of the authorities and from the community);
- project management methods are flexible and can be applied in a large organization, while being in harmony with strategic management and organizational strategy;
- On the basis of project management, it is possible to clearly control and manage performance, which in other circumstances is often difficult;
- The project-based approach enables a more flexible organisational management structure capable of reacting adequately to changes in the internal and external environment;
- The project approach involves a clear definition by management of the objectives, tasks, roles and responsibilities for the implementation of the project, which facilitates evaluation and increases control over the performance of the tasks by subcontractors;
- based on the project approach, define the scope of the project tasks, hierarchical structuring according to the "work tree" principle, allowing the necessary and sufficient tasks to be included in the project's structure;
- The project-based approach allows for an integral assessment of the socioeconomic impact of the project using a single basic criterion for obtaining an overall assessment of the efficiency of the public administration in a certain problem area;
- Project management is aimed at obtaining a finished product, an end result that determines the level of satisfaction of the public;
- Project management uses a strategy of target-oriented and efficient allocation and utilisation of project resources with a maximisation criterion for efficient project management;
- The project-based approach provides a direct link to the population of the country, which allows the performance of the public administration body to be assessed indirectly by the people of the state [70].

Today, the use of the project approach in the practice of public institutions is only declarative. Projects aimed at the implementation of the development strategy are mainly traditional action plans that look like a simple list of tasks without a detailed content-organizational and information support, without proper social, economic, financial planning and expertise.

The full use of project formulation and management methodologies, as well as the management of a portfolio of projects developed for the implementation of strategic priorities, is quite problematic and unrealized in the field of public management [71].

Therefore, looking at the specifics of project management in the public sphere, some of the main problems on the way to implementing a project-based approach in the activities of public management bodies can be distinguished:

- Firstly, the lack of preparedness of the management staff, the absence of standards of professional activity that would enshrine in the instructions the requirements for mastery of modern management technologies, in particular of project activities;
- secondly, the lack of skilled practitioners with knowledge of project methodology and the ability to prepare a project for an international fund grant, and lack of involvement of the public, businesses and other stakeholders during the development and implementation of projects in the public sphere;
- Thirdly, the lack of resolution of the key methodological issue of evaluating the public value of the projects in the implementation of the strategy, This would allow selecting the most valuable projects for the portfolio in an interactive way to determine the expected result of the strategy implementation [60].

As a result of this research, we can state that the project-based approach is a recognized methodological tool for increasing the efficiency of management activities.

A project-based approach to implementing the strategic priorities of the territorial community will improve the efficiency of public administration bodies. Understanding the essence of project management, the practice of its application and its importance for public authorities will enable them to increase the effectiveness of their activities. The use of project management technology will allow solving such problematic aspects as: unspecified terms of project implementation, review of project implementation quotas, technical tasks, etc.

Therefore, project management in public administration must ensure a clear process of implementing the project implementation plans to achieve the strategic goals of the community within a specified time frame and taking into account the limited resources, including financial resources. Further research could be devoted both to detailing the tools of the project approach in the public sphere and investigating the specifics of its use.

A special feature of projects in the public sphere is the solution of problems that are put on a governmental agenda and formalised (described) in relevant governmental documents - the governmental programme, concepts or strategies in the form of strategic priorities or tasks.

In the public sphere, a project is understood as a set of interconnected logically structured tasks and activities, arranged on a time scale, which are aimed at solving the most important problems of state development, The project is designed to address the most important development issues of the state, individual sectors of the economy, administrative and territorial entities, organizations and institutions and is carried out under financial and other resource constraints within the specified timeframes.

Projects can be implemented alone or in cooperation with partners. A set of projects constitutes a programme or a project portfolio.

The programme is a set of interlinked projects with resources, actors and terms that require coordination and implementation management to achieve a common goal.

According to the Guidelines on How to Provide Assistance. Part 1: Project Cycle Management" (hereinafter referred to as the Handbook) the programme can: [69].

- The programme is designed to cover the whole sector (e.g. the health sector programme);
- Focus on one part of the sector (e.g. for the health sector, the primary health care programme);
- be a "package" of projects with the same theme/focus (e.g. a programme of links between universities in the countries of the Asia-Pacific region and the EU);
  - to be, in essence, just a big project with a whole range of different components. Project management in the public sphere is the process of institutionalisation in

## SCIENTIFIC AND PRACTICAL PRINCIPLES OF DEVELOPMENT OF TERRITORIAL COMMUNITIES IN THE CONDITIONS OF DECENTRALIZATION OF POWER

a programme- and goal-oriented format of ways in which public authorities or local self-government bodies are involved in social reality in order to solve a public problem. This creates unique products or services that have not previously been developed and are different from existing analogues in the context of limited time and resources.

The process of institutionalization includes: [72].

- project structuring;
- developing a strategy;
- formalise procedures and develop templates for coordination, management and financing;
  - The definition of competencies and the formation of skills.

The main characteristics of the project: [60].

- The existence of a problem that the project will address;
- Availability of participants, including the main target group and the final beneficiaries (consumers);
  - systematicity and purposefulness;
- the interdependence of the project's objective, goals, tasks, activities, resources and expected results;
  - resource constraints;
- formulating a project implementation plan based on the relationship between the quality, cost and duration of the project;
  - Identifying potential risks and finding ways to mitigate them;
- The project is a complex and interdependent process of project product creation and management;
- The existence of a clear link between the products, outputs, objectives, activities and resources of the project;
- A monitoring and evaluation system has been developed to support project management;
- The financial and economic justification for the cost of the project, which is likely to exceed the cost of implementation.

The public sphere distinguishes between these types of projects:

- Programmes (e.g. TEMPUS projects, Networking and Partnership programmes);
  - dossier;
  - technical assistance projects.

The division is also made between designs for public tenders and designs developed at the initiative of the project owner [74].

Among the above-mentioned types of projects one should distinguish development projects that are focused on clear identification (e.g., per objects: construction of an airport, construction of a bridge or a motorway, implementation of health care reform, etc.) and management of investments and changes in the established procedures in the public sector.

Development projects that claim to receive support from the European Commission (EC) must be coherent and be part of it: [61].

- National development policy (including poverty reduction strategies);
- The EC development policy and strategy documents for the country;
- The governmental programmes (e.g. health care, education, criminal legislation);
- Priorities and programmes for the development of non-governmental organisations.

In supporting the public sector, project objectives should support the implementation of national and sectoral policies. When projects are implemented by non-governmental organisations, it is necessary to distinguish between activities that are entirely outside the public sector and those that are implemented in the name of the government. In the latter case, non-governmental organisations often provide services of a public nature and act as "contractors" of the government for such services. Even though the responsibilities have not been formally delegated, it is important that these functions are in line with government policy to ensure their relevance and viability.

Fully private activities are evaluated on the basis of the EC development policy, which requires a system of project or programme relevance evaluation (in line with the Country Strategy Paper) as well as on the basis of beneficiaries' needs (see Project

### SCIENTIFIC AND PRACTICAL PRINCIPLES OF DEVELOPMENT OF TERRITORIAL COMMUNITIES IN THE CONDITIONS OF DECENTRALIZATION OF POWER

Cycle Management Guidelines) [64].

Projects are made up of processes. A process is a series of logically ordered activities that lead to a result.

According to the Project Management Handbook (PMBOK), developed by the Project Management Institute (PMI) for industrial project management, a distinction is made between project management processes and processes that focus on the creation of a project product [73].

Project management processes and product development processes overlap and interact throughout the project and are organised into five groups: [68].

- project initialization processes;
- planning processes;
- processes of implementation;
- processes and controls;
- the processes of closure.

In the public sphere, project management is based on the project cycle management methodology adopted by the European Commission in 1992 (see the Project Cycle Management Handbook, 2004). According to this methodology, project management processes constitute the project cycle, which consists of six stages:

- programme;
- Identification;
- formulation;
- Financing;
- implementation;
- evaluation and audit.

The relationship between industrial and public sector project management processes is summarised in Table 1.

Table 1
Compliance of project cycle management processes with project management processes

Project cycle management processes	Project management processes
Programming	
Identification	Iniciation
Formulation	Planning
Funding	
Implementation	Synchronisation
	Closing
Evaluation and audit	Monitoring

The difference between project cycle management and industrial project management lies in the specifics of the public and industrial (business) sectors as well as in the way the problem and project idea are defined and identified. In public project management, the work starts with the development of a project idea or an already formulated need, i.e. when the problem has already been identified [71].

In project cycle management, everything starts much earlier - by identifying the problem to be identified and updated, i.e. to bring it into the order of the day, and then developing alternative ideas for solving the problem.

Therefore, project management in a fast-moving environment is a relevant technology that ensures that a certain set of tasks can be completed efficiently and in a limited time with minimal costs. Thus, the success of using project management depends on its professional implementation in the particular installation and the efficient organisation of the teamwork. Project management greatly improves productivity and increases the efficiency of public authorities, but it should be understood that the use of project management is appropriate for the presence of certain conditions (complexity, Complexity, labour intensity, cost of its implementation, etc.) and the result of its use should exceed the cost.

Furthermore, as the project approach often requires the creation of additional structures or the use of more complex project and matrix structures in the management, an increase in the organisational complexity of the management must be justified.

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## 5. The state of the horticultural industry in Ukraine and the role of state support in increasing its competitiveness

The current level of development of society has sharpened the attention of consumers the need for complete and quality nutrition, which is impossible without the use of horticultural products. Fruits, berries and their products industrial processing contribute to the normal functioning of the human body, have unique therapeutic and anti-radiation properties. However, their consumption per capita in Ukraine is steadily declining, and in 2021 it was only 57 kg, which is 30.5% less than the scientifically sound rational consumption rate.

At the same time, it should be noted that Ukraine owns favorable natural and climatic conditions for growing most fruit and berry crops not only for their own consumption, but also for the formation of export potential.

Important key indicators of the competitiveness of Ukraine's horticultural industry are both the expansion of its export potential and growth of the level and dynamics of development of the domestic market of fruits and berries, increase provision of the population of the country with fruit and berry products of proper quality. During the period of so-called "perestroika" and the first years of transformation of the Ukrainian economy (from 1985 to 1999) the volume of horticultural production decreased by more than five times. In addition, the decline of the industry in the 1990s was underscored by the expansion of imports fruits, even those that in the natural and climatic conditions of Ukraine should be more productive than in other countries, technological backwardness, lack of proper infrastructure (storage, processing), without which the horticultural industry cannot develop.

Despite the annual fluctuations in the volume of gross production of fruits and berries, in recent years there has been a positive growth trend in production and industry development. Capacity building of the horticultural industry is underway several main factors, including: stable demand for berries and fruits in the domestic market during the year against the background of unmet needs of the domestic bandage domestic products; increasing the number of people providing benefits of healthy

eating and increase your own demand for fruits and berries; due to rising prices and demand for horticultural products in both Ukraine and the world, horticultural products are becoming more attractive for production for domestic producers and new investors; programs of state financial support of the industry, operating for about 20 years.

The modern global fruit and berry market is becoming more competitive, segmented, demanding on the quality and safety of fruits, needs new products, varieties and plant species. An important factor that determines the trends and prospects for the development of the horticultural industry is its development in cooperation with related industries and types of activity: processing, finishing, packaging, storage, certification, logistics, etc. The horticultural industry is quite capital-intensive, the return on investment in the garden is distant in time for years. For existing in the current period of rates of credit resources and conditions of their receipt for agricultural producers further increase of potential of branch of gardening without participation of the state impossible.

Recently, in some sectors of the horticultural industry there has been business activity in the establishment of new plantations, the introduction of modern varieties and technologies of cultivation and storage. fruit processing and berries, due to the growing demand for quality fruit and berry products in the domestic market and the attractiveness and affordability of its exports to European markets and remote markets. However, at the current level of development, the horticultural industry cannot be defined as competitive, despite the fact that Ukraine has a number of advantages over other countries for the production of fruits, berries, grapes.

A comparison of indicators of production and consumption of fruits and berries by the population of Ukraine indicates that, despite the fact that both indicators are growing, consumption predominates, and therefore produced insufficiently fruit and berry products. Improper the level of domestic production both by structure and by region. Production fruits and berries per person in 2021 was 54.3 kg (Table 1), including grain – 30.6 kg, stone fruit - 12.3, nuts – 2.7, berries - 3.1 kg. This level is 1.6 times lower than the norm. At the same time, the needs of the population of Ukraine by regions are met unevenly.

Table 1
Production and consumption of fruits and berries in Ukraine per capita

Years	Production, fruits, berries per	Consumption, fruits, berries	
	person per year, kg	per person per year, kg	
2010	38	48	
2015	50	51	
2016	47	50	
2017	48	53	
2018	61	58	
2019	50	59	
2020	48	59	
2021	54	57	

Source: Compiled for [84]

During the years of transformation of the Ukrainian economy, the horticultural industry has experienced significant changes. The area under orchards decreased by more than three times, at the same time the yield of fruit and berry crops increased more than 2.5 times (Table 2). In 2021 the level of production of fruits and berries in Ukraine reached 2,235.1 thousand tons, which is more than in 2000 almost 1.5 times. However, this is still 23% lower than in 1990. Their main volumes are received in households, in particular in 2021 – 79.2%, or 1,770.9 thousand tons. And the share of fruits grown by them was 83.1%, berries - 89.1%. Among the fruits of grain crops in 2019 were produced mainly apples - 87.2% (1,153.4 thousand tons), from stone fruit-cherry - 31.0% (167.5 thousand tons), from nuts – Walnuts - 100.0% (126.1 thousand tons), berries - strawberries - 45.8% (62.6 thousand tons) [83, p. 17]

Horticulture in Ukraine did not develop according to the type of farming, as it happened in European countries. In the postwar period, after the deep destruction, a significant number of state farms and specialized horticultural farms were established, in which funds state was restored in 1950, 594 thousand hectares of gardens. In subsequent years, there was a significant expansion of areas under orchards and berries. For 20 years (1950-1970) theirs the area increased by 280% and reached 1.3 million hectares, and the yield - by 26%.

Table 2
Dynamics of areas, gross harvest, yield of fruit and berry crops in Ukraine by categories of the producers

	Including:							
Years	All categories of producers	agricultural enterprises	to all categories of producers,%	households	to all categories of producers,%			
	Area of fruit-bearing plantations, thousand hectares							
1990	679,8	336,4	49,5	343,4 50,5				
2000	378,0	243,5	64,4	134,5	35,6			
2005	265,5	124,8	47,0	140,6	53,0			
2010	223,2	75,1	33,6	148,1	66,4			
2115	206,0	58,2	28,3	147,8	71,7			
2016	196,7	51,0	25,9	145,7	74,1			
2017	198.5	51,2	25,8	147,3	74,2			
2018	198,5	50,7	25,5	147,8	74,5			
2019	194,0	46,2	23,8	147,8	76,2			
2020	191,0	43,5	22,8	147,5	77,2			
2021	190,5	42,7	22,4	147,8	77,5			
	Gross	harvest, thousand	tons					
1990	2901,7	1347,1	46,4	1554,6	53,6			
2000	1452,6	264,1	18,2	1188,5	81,8			
2005	1689,9	200,1	11,8	1489,8	88,2			
2010	1746,5	286,8	16,4	1459,7	83,6			
2115	2152,8	391,1	18,2	1733,2	80,5			
2016	2007,4	370,5	18,5	1636,8	81,5			
2017	2048,0	333,8	16,3	1714,3	83,7			
2018	2566,2	551,5	21,5	2014,7	78,5			
2019	2125,2	350,7	16,5	1774,5	83,5			
2020	2023,9	340,5	16,8	1683,4	83,2			
2021	2235,1	464,2	20,8	1770,9	79,2			
		Yield, t/ha						
1990	4,2	3,9	93,0	4,5	104,7			
2000	3,8	1,1	28,9	8,8	231,6			
2005	6,4	1,6	25,1	10,6	166,2			
2010	7,8	3,8	48,8	9,9	126,0			
2115	10,5	7,1	67,8	11,8	112,7			
2016	10,2	7,3	71,1	11,2	110,1			
2017	10,3	6,5	62,9	11,6	112,9			
2018	12,9	10,8	83,7	13,6	105,7			
2019	10,9	7,5	68,6	12,0	110,0			
2020	10,6	7,8	73,6	11,4	107,5			
2021	11,7	10,8	9,2	12,0	102,6			

Source: Compiled for [84]

Crop capacity orchards in collective and state farms did not exceed 25–30 c/ha, and in homesteads of peasants - 1.5–2 times higher (40–50 c/ha) [77, p. 5]. During

1971–1995 there was a dismantling of orchards in non-specialized farms, and the area of fruit crops decreased to 0.7 million hectares, as a result, the yield of orchards increased and amounted to 40-60 kg/ha, gross annual harvest of fruits - 1.4-3.5 million tons, mostly due to the intensification of fruit growing in specialized and research farms, as well as the development of collective and home gardening [77, p. 5].

Against the background of world trends in horticulture, when new intensive ones were introduced technologies, new varieties, Ukrainian horticulture remained at the same level as those resources that have gone to farms since Soviet times. Under such conditions, the industry without significant investments, replacement of technologies, availability of proper infrastructure could not be developed at the expense of own sources.

Innovation is impossible without the investment policy of the state, which plays a crucial role in ensuring the sustainable development of horticulture. It determines the structure of investments, directions, real sources, implements effective and rational measures for the implementation of national regional and local socio (economic and technological programs, reproduces the processes in the industry at the macro and microeconomic levels. In the late 90's of the twentieth century horticulture had special sources of public finance support, which were: adopted by the Verkhovna Rada of Ukraine on 09.04.1999, the Law "On fees for the development of viticulture, horticulture and hop growing" and the Resolution of the Cabinet of Ministers of Ukraine from 15.07.05, №587 "On the collection and use of funds for development viticulture, horticulture and hop growing".

The payers of the fee are business entities, regardless of ownership and subordination, which sell alcoholic beverages and beer in the wholesale and retail trade network. The collection rate was 1% of the proceeds from the sale of these products. Starting from August 1, 2011, taxpayers pay a fee of 1.5% of the object of taxation, as provided by the Law of Ukraine of 07.07.2011, №3609-VI, "On Amendments to the Tax Code of Ukraine and some other legislative acts of Ukraine on improving certain provisions of the Tax Code of Ukraine", which amended the Law of Ukraine" On Development Tax viticulture, horticulture and hop growing".

Later it became obvious that the brake factors of the revival of the horticultural industry were the lack of modern infrastructure for storage and finishing of marketable horticultural products, lack of investment in modernization of the industry in accordance with modern horticultural technologies. The implementation of such measures was not complicated not only due to lack of funds, but also significant parcelling of small producers private sector. A significant obstacle to the further development of the industry was the underdevelopment of storage and modern processing infrastructure, the objects of which can be effective only due to the effect of scale.

In 2009, the mechanisms of state financial support were expanded to include the list those to be reimbursed included the cost of building refrigerators with a regulated gas environment with a capacity of 500 tons for the storage of table grapes and homegrown fruit. Increase in the collection rate to 1.5% made it possible to increase the level of reimbursement of these costs, as well as to provide the industry funds for the modernization of production of enterprises that grow fruits and berries.

However, only large horticultural farms were able to use such assistance, production volumes which allow to use storages effectively with a volume of more than 500 tons. In addition, there should be other infrastructure structures around each repository, the construction of which requires considerable own funds and is not available gardener-farmer or sole proprietor.

However, the state financial support of the industry for the creation of horticultural infrastructure continued, the list of areas of support was significantly expanded. Such, in 2012 to be reimbursable, defined the costs of:

- construction of water storage pools to ensure uninterrupted water supply of drip irrigation networks for the purpose of timely watering of vineyards and orchards;
- uprooting of unproductive perennials (after planting in the reporting year of new gardens and vineyards on a similar area);
- acquisition of mechanisms and equipment (including imported production, which is not produced in Ukraine) for technological operations in viticulture,

horticulture and hop growing and new equipment for freeze-drying of fruits and fruit processing lines;

- construction by nurseries of laboratory complexes for production of virus-free planting material;
- modernization of refrigeration and gas storage modes in reconstructed refrigerators with a capacity of 500 tons and construction of quick-freezing chambers fruits and berries by producers of such products [82].

State financial support for the horticultural industry in Ukraine was provided only by distributing funds from the special fund. The effect of the use of special funds grew every year. Sales revenues were received for UAH 1 of funds spent in 2010 fruits 25.46, which is 18 times more than in 2000. In 2012, the share of gross fees fruits in agricultural enterprises, formed at the expense of state support, amounted to 90.5% (327 thousand tons). In addition, the yield of planted gardens was 6.3 times higher (7.9 t/ha) against existing plantations, and this in conditions when not all crops have entered into commercial fruiting, in particular seed 2009–2012 plantings and grain 2010–2012 [83, p. 21]. Thus, growth rates indicate that state financial support for the industry for 12 years has created the preconditions not only to overcome the decline, but also to begin its modernization in accordance with the requirements of the open market economy.

In the future during 2013-2016 after the repeal of this law on support of the industry special fund to support the industry ceased to exist, the state began to allocate less, which affected the recovery of the industry.

In 2017, a decision was made to further support the horticultural industry within the framework of the program 2801350 "State support for the development of hop growing, establishment of young orchards, vineyards and berries and supervision over them". It was the purpose for the use of budget funds has been changed, namely budget funds were provided to business entities in the industry to partially reimburse costs by directions:

- 1) carrying out works on planting, care for them before fruiting;
- 2) purchase of planting material of fruit and berry crops, grapes and hops;

- 3) construction of refrigerators with regulated gas environment for storage of table grapes and fruits of own production, as well as purchase lines of commodity processing of fruits;
- 4) construction by nurseries of laboratory complexes for production of virus-free planting material;
- 5) acquisition of mechanisms and equipment for technological operations in viticulture, horticulture and hop growing and new equipment for sublimation fruit drying [82].

In 2019, funding for this program was focused on only two directions:

- purchase of planting material of fruit and berry crops, grapes and hops;
- construction of refrigerators with regulated gas environment and facilities with freezing of fruit and berry products, purchase of fruit processing lines, equipment for freeze-drying of fruit.

For these purposes, it was planned to allocate funds from the state budget to the general budget the amount of UAH 400 million.

Table 3 present data on the use of funds for the development of viticulture, horticulture and hop growing in Ukraine and Vinnytsia region in particular, which is one of the most developed regions of industrial horticulture in the country in 2019.

Table 3

Information on receiving financial support from agribusiness entities in Ukraine in 2019 from the general fund

Region	2801350 "State support for the development of hop growing, establishment of					
	young orchards, vineyards and berries and care for them"					
	Total		Reimbursement of costs for the purchase of planting material		Refrigerators	
	Thousands UAH	%	Thousands UAH	%	Thousands UAH	%
Vinnytsia region	19916	5.0	8884.8	3.2	11031.3	9.2
Total in Ukraine	397878.9	100	277878.9	100	120000.0	100

*Source: Developed by the author* 

The study of public funding shows that the budget program "Establishment and supervision of young orchards, vineyards and berries" at the expense of 1.5% of the

fee for the development of viticulture, horticulture and hop-growing, paid from the sale in the wholesale and retail network of alcoholic beverages and beer to a special account of the State Treasury, in 2019 5.0% (19916 thousand UAH) of the total amount of reimbursed by the state expenditures in the horticultural industry of Ukraine (397878.9 thousand) were sent to horticultural enterprises of Vinnytsia region, including the costs of purchasing planting material were reimbursed in the specified region (3.2% - 8884.8 thousand UAH) from the total amount of reimbursed by the state costs for the purchase of seedlings in Ukraine (277878.9 thousand) and refrigerators - 9.2% (11031.3 thousand) of the total volume of state support for fruit growing (120000.0 thousand)

Stable, timely and effective state support for horticulture is not only the key to innovation enterprises of the industry, but also the economic growth of the latter, the development of the infrastructure of the fruit market and raising the level welfare in the countryside.

Modern equipment purchased with state support Vinnytsia enterprises provide the opportunity to store fruits and berries in a regulated gaseous medium (RGM).

The main feature of the repository is the use of the most advanced technology storage of apples in the regulated atmosphere of the DRA (dynamically regulated atmosphere). Refrigerators and RGM equipment are controlled by a single industrial computer - My Fruit Premium control system manufactured by Van Amerongen. A comprehensive management program allows use equipment organically, improve storage quality while reducing energy consumption. You can control the storage of the product in 112 refrigerators at the same time.

Storage is based on advanced ACR (breath control system) technology, which helps to reduce the "drying" of the product during storage to a minimum. An important condition: the absolute tightness of refrigeration chambers, to ensure which in this storage for the first time used the technology of continuous sealing of sandwich joints panels of the Dutch company RibbStyle.

Tightness is also ensured through the use of Salco gas-tight doors. Their uniqueness is in the use of a patented pneumatic seal. The refrigerators have special air

coolers of the "fruit" series Thermofin, which provide the necessary humidity without the use of humidifiers.

Refrigeration facilities and new warehouses for storage of products allow the above-mentioned horticultural enterprises to sell products in the spring, when the price is highest, and to make extra profits and hand over fruit storages in rent to those companies that do not have such equipment, provide the market with fresh fruits and berries all year round, enter international markets, export their products, and these are already higher prices and, accordingly, profits of the company, which will pay taxes to the state budget.

In 2019, it was envisaged that farmers who build refrigeration complexes and processing facilities, as well as producers of organic berries and fruits could apply for subventions from the state. Previously expected to allocate UAH 400 million, of which half - for the construction of refrigerators with RGM and quick-freezing chambers, the purchase of sorting lines and sublimation, as well as the purchase of processing equipment for natural juices and fruit (berry wines from their own raw materials and another UAH 200 million - for reimbursement the cost of planting material and care for young perennials for organic production.

Obstacles to obtaining compensation are the use of plant varieties that are not included in the Register, and the establishment of orchards and berries without proper project documentation. Cooperatives of various forms were given preference in financial assistance for the construction of refrigerators and the purchase of processing equipment.

As a result of state support for the industry, horticultural farms have succeeded significantly increase the area of young orchards and berries. During 2017-2019 13.6 thousand hectares of fruit and berry plantations were planted. In addition, as a result of accession in commodity fruiting of young orchards there is an increase in the production of fruits and berries in agricultural enterprises over the past ten years - by 22.3% (in 2019 - 350.7 thousand tons). However, according to horticulture expert I.A. Salo, reproduction of perennial plantations is still insufficient, as the area disposal of old plantations is almost twice as large [83, p. 21–22].

In 2020, the amount of state support remained at the same level, however more attention was also paid to the establishment of plantations and the creation of infrastructure for storage and completion:

- seedlings, wallpaper, drip irrigation;
- new construction and reconstruction of refrigerators, primary processing shops, freezing facilities;
- purchase of lines for commodity processing of fruits and berries, automated lines for drying fruits, berries and hops, lines for processing home-grown fruits, berries and technical varieties of grapes, machinery and equipment for technological operations.

Reimbursement of the cost of planting was at the level of 80% of the cost, the rest - at the level of 30%.

Further state financial support for the industry will help strengthen its potential, improving the economic efficiency of all resources industry and, accordingly, its competitiveness.

Thus, the Resolution of the Cabinet of Ministers of Ukraine of March 10, 2021 № 185 "On Amendments to the Procedure for Using Funds provided in the state budget for the development of viticulture, horticulture and hop growing" defines the mechanism for using funds provided in the state budget under the program ", Which are used for state support of producers of fruits, berries, grapes and hops.

Budget funds are directed to the state support of producers of fruits, berries, grapes and hops in order to stimulate the increase of plantation areas, production of fruit and berry products, grapes and hops, increase their storage and processing capacity.

Budget funds shall be provided to economic entities that establish fruit and berry plantations, vineyards and hop gardens on a non-refundable basis within the budget allocations provided for in the state budget for the current year to reimburse expenses (excluding value added tax) incurred in the period from October 1 of the previous year to September 30 of the current year on:

- 1) purchase of planting material of fruit and berry crops, grapes and hops (hereinafter planting material), in the amount of up to 80 percent of the costs incurred (after planting or repair of plantations);
- 2) carrying out works and purchasing materials for the construction of wallpaper and installation of drip irrigation systems (hereinafter the work) in the amount of up to 50 percent of the costs incurred (after the completion of installation work);
- 3) purchase of machinery, mechanisms and equipment (including foreign production not produced in Ukraine) for technological operations in viticulture, horticulture and hop growing (hereinafter machinery, machinery and equipment) in accordance with the list of such machinery, machinery and equipment approved by the Ministry of Economy, up to 30 percent of their value.

Reimbursement of costs for planting material may not exceed the standards within which the partial reimbursement of their value, approved by the Ministry of Economy.

Business entities - producers of fruits, berries, grapes and hops, which carry out agricultural activities for processing, processing and / or preservation of fruits, berries, grapes and hops, budget funds are provided on a non-refundable basis within the budget allocations provided by the state budget for the current year, to compensate up to 50 percent of the value (excluding value added tax):

- 1) new construction and reconstruction of refrigerators for storage of fruits, berries, table varieties of grapes and hops of own production, shops of primary processing of grapes, fruits and berries of own production, facilities for freezing of fruit and berry products (hereinafter objects);
- 2) purchase of lines for commodity processing of fruits and berries, automated lines for drying fruits, berries and hops of own production, lines for processing fruits, berries and technical varieties of grapes of own production into juices, purees, wine materials (hereinafter lines) after commissioning.

The cost of facilities put into operation from October 1 of the previous year to September 30 of the current year and / or the cost of lines purchased in the same period is subject to compensation.

Budget funds shall be used to repay accounts payable registered with the Treasury for expenditures provided for state support of producers of fruits, berries, grapes and hops, in the prescribed manner. [81]

Recovery in some sectors of the horticulture, in our opinion, is possible on based on the cooperation of various participants on the model of public-private partnership. Such experience is available in European countries.

In order to ensure the implementation of Article 1 of the Decree of the President of Ukraine of March 19, 2021 №103 "On the National Investment Fund" the Cabinet of Ministers of Ukraine established the state enterprise "National Investment Fund of Ukraine" (Resolution of the Cabinet of Ministers of Ukraine of March 31, 2021, №295). According to the approved charter, the subject of activity of the National Investment Fund is: attraction and concentration of financial resources for the implementation of investment projects; financing and implementation of priority investment projects; investment attraction; preparation of investment and other projects; management of property in accordance with the law; formation of investment funds, participation in investment funds; participation in joint activities; participation in socially significant projects.

In order to develop selection in horticulture, Mazur K. propose to create a program of private sector investment in research farms, including the Institute of Horticulture of the National Academy of Agrarian Sciences of Ukraine to attract additional funds for breeding new varieties of legumes for further industrial apple growing in Ukraine and export of seedlings abroad.

Mazur K. propose with the assistance of the National Investment Fund of Ukraine to attract private investment in the development of breeding work at research stations of the Institute of Horticulture NAAS. The investor investing in the investment of selection works will have the right, together with the IH NAAS, to use the relevant patents and obtain seedlings of bone crops adapted to the requirements of each potential investor (Figure 1).

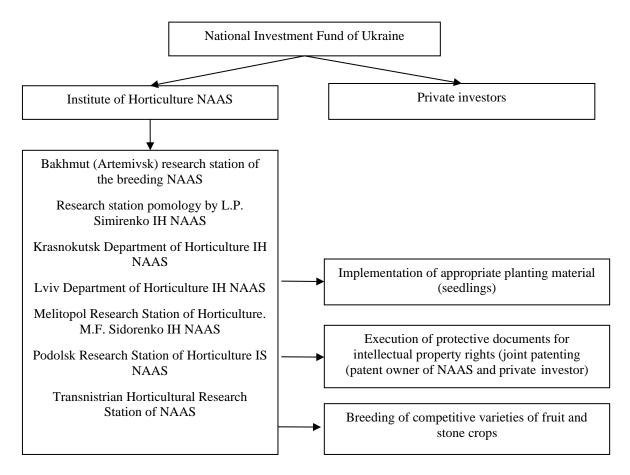


Figure 1. Model of attracting private investment in bone breeding in Ukraine Source: [80, p. 128]

The domestic and world market of nuts is dynamically growing and solvent in the segment of fruit and berry products. The development of this industry is closely linked to many trends and trends in the agri-food market. In particular, the spread of the movement towards a healthy lifestyle, which is gradually developing in our country. Many people purposefully give up junk food and increase the proportion of natural foods in their diet, including by adding different types of nuts.

Today, the cultivation of nuts in Ukraine is carried out at the expense of personal farms and small farms, as well as the collection of walnuts is carried out in forest belts along roads of state and regional importance. Most farmers grow walnuts on their own plots in single trees, which significantly reduces the collection potential. The average is estimated at several dozen trees per one individual farm.

Farms do not use pesticides or insecticides to grow walnuts. In small gardens carry out up to 3 top dressings with fertilizers. An important aspect of walnut production is crop management after it has been harvested. Walnuts are usually harvested by hand.

Depending on the type of nut, soil fertility and climatic conditions, the yield of walnuts can be from 2 t / ha. Growing nuts is a very profitable business for both business and the public. However, walnut production in Vinnytsia region is limited by problems with the organization of production and marketing.

Walnuts are eaten raw or roasted, but they also add value in terms of taste, texture, crunchiness and food ingredients in the confectionery, bakery and baking industries, and are used with cereals in salads, especially in Waldorf salads.

The naturalness of the product is a key area of interest in foreign markets. The launch of new nut products on the market as one of the most "organic", "natural" or "free of additives and preservatives" is very promising, at the same time statements of benefit in the form of "containing fiber", "protein rich" and "with low sodium" are also quite popular, especially in the EU. As well as the existence of niche opportunities for organic trade and Fair Trade, other relevant trends are emerging, such as developments in the ethnic food segment.

Production of walnuts in Ukraine fluctuates at the level of 113-127 thousand tons per year (Table 4). The main volumes of production are concentrated in Khmelnytsky, Cherkasy and Chernivtsi regions. It should be noted that the largest producers of nuts are sole proprietorships and most of the sales of finished products in the form of walnut kernels are carried out in the markets, and waste (nut shell) is almost never used.

In order to maximize the production of nuts with their further processing, it is advisable to grow and process walnuts primarily on farms.

The project of creation of farms focused on production and processing of a walnut is offered and by the scientists of Vinnytsia National Agrarian University. The implementation of this project involves the following scenarios for the development of farms:

Scenario 1: in which a farmer sells a walnut kernel;

Scenario 2: where the farmer sells nut oil and nut cake;

Scenario 3: when a processor buys a walnut and sells oil and cake

Calculations of the cost of maintaining 10 hectares of the garden before fruiting for 1 year are also proposed (Table 4).

The planned revenue received for the first 20 years of the project on production in the oil and fat subcomplex for the processing of walnuts under scenario 1 and scenario 2 is about UAH 10 million, while as a result of the project under scenario 3 revenue will be over UAH 100 million. It should be noted that even with the stricter restrictions imposed in the initial conditions of scenario 3, this order does not change, which indicates the high efficiency of this approach.

Improvement of the developed scenarios can be achieved through the use of appropriate equipment for processing walnuts. Thus, Vinnytsia National Agrarian University has developed and patented appropriate equipment for walnut processing, namely a patent for nutcracker "GMK-350", which can be used to start industrial peeling of nuts, and guidelines for graphic illustrations related to science "Creation Management System" innovative products in the oil and fat subcomplex of deep processing of walnuts ".

The nutcracker, which contains an electric motor, a loading hopper, a bed and a device for peeling nuts, differs in that the chipping device contains a static and movable plate with a series of wedge-shaped depressions, the angle of which varies relative to two mutually perpendicular planes. with hemispherical segments.

Calculations show that the scenario of walnut processing has a number of advantages, which significantly outweigh the disadvantages when considering the operation of the business model.

Mass production of the corresponding equipment can be started at the State Enterprise "45 Experimental Mechanical Plant". The implementation of the relevant business plan will make it possible to sell walnuts, walnut meal, walnut oils and solid biofuels (pellets from production waste).

The model of restructuring of farms "Nut Kraft" is developed, which provides for the creation of appropriate design and estimate documentation for farmers focused on the production and processing of walnuts (Table 4).

Table 4

Designing a canvas model for the development of farms focused on growing and processing walnuts \*

Key partners Key activity		ities	Value		Customer		Customer relationship
			pro	position		relationship	
Farms	Development		Providing		Pers	onal meetings	1. Confectioneries
	of projects to		confectioneries		with	representatives	(use of nuts for the
	create scenarios		with high			onfectionery	production of
	for the		quality raw			panies.	confectionery)
	development of		materials		Cond	ducting product	2. Population
	farms focused		Meeting the			entations at	(consumption of oils and
	on the		needs of the		fairs		walnuts proper)
	production and		population in			rming customers	
	processing of		organic food			t product prices	
	walnuts.		(oil, walnut).			he Internet	
			The production			sletter	
	Key resources Intellectual		of such goods is offered:			ales channels	
						net advertising	
	property fo	or nut		ut, nut oil,		ouncements in	
	peeling	peeling equipment (patents		nut cake		nedia	
						tings with	
	_					esentatives of	
	copyright					ectionery	
	certificates)				companies		
The	e structure c	of costs	ts for 1 year			Revenue flows	
Cost Ite	am	Amount,		The share of		Implementation	
		грн		costs, %		Implementation of nut cake	
Remuneration v	with	140700		18,01		Sales of oils from nut production	
accruals						Wallachian	
Fuel		57400		7,35		*	of solid biofuels (pellets
Seedlings		400000		51,2		with production	waste)
Spraying		18450		2,36			
Mineral fertilizers		38560		4,94			
Organic fertilizers		28180		3,61			
Other costs (land rent,		97900		12,53			
irrigation, etc.)							
Total		781190 100,		100,0			

Source [79]

Walnut kernel is used in the confectionery industry and animal feed. Edible nut oil, technical oil and cake oil can be processed into food or used for cattle fattening. Production waste can be processed into biofuels, as well as raw materials for other

industries (carbon production for high-tech industries). In addition, walnuts are also considered a product of this subcomplex. Other walnut derivatives are being investigated. In this study of the development of the subcomplex, as well as in the short term, the emphasis is on confectionery kernel and nut oil. With the development of the subcomplex, innovative derivative products will be created by studying and supporting the development of alternative ways of using by-products as they arise.

Walnut cake is a by-product of the process of obtaining nut oil. Unsorted walnut kernels, both raw and partially roasted, can be used in dietary nutrition, in animal feed (pigs, poultry and horses) to provide the required level of protein, micro and macronutrients contained in walnuts in significant quantities.

Walnut kernel flour is a natural concentrate of valuable nutrients that are stored in nut mucus only with the technology of direct cold pressing. In terms of composition, it is more than 80 elements necessary to ensure the normal functioning of a living organism.

Nut oil is a concentrated solution of salts of polyunsaturated fatty acids, which are stored in nut oil only by cold pressing technology. The price of nut oil usually does not allow its widespread use in industry, but there are several ways of its production that are being studied. It is used in the production of some paints, varnishes and plastics due to its good semi-discontinuous properties without color modification, which can occur when using oils with a high content of linolenic acid.

The use of nut oil in the production of agrochemicals, surfactants, adhesives, plastics, fabric softeners, lubricants and coatings has been studied. The usefulness of such products and the efficiency of their production usually depends on the prices of oil and raw materials. Nut oil can also be used as a food and can be sold by farmers under their own brands.

Thus, it can be argued that the properties of walnuts and the variety of ways to use them make walnuts of Ukrainian production a highly profitable, export-oriented product, which is gradually becoming a source of large foreign exchange earnings in the country.

Reduction of farmers' costs for planting walnut orchards is possible through the implementation of state support programs.

Significant obstacles to the entry of domestic producers of berries and fruits on the world market are a number of factors, including:

- lack of sufficient volumes of premium products for supply in European and other capacious and demanding markets;
- significant level of competition in the European market and the lack of established partners-buyers from other regions of the world;
  - unexplored markets of other countries;
- there is no proper effective interaction of state institutions and producers in terms of development of norms and rules of world trade (phytosanitary control, certification, market research, information support, etc.).

According to a number of domestic horticultural farms, companies from the Scandinavian countries, Italy and Poland are currently interested in buying Ukrainian apples. In such circumstances, the issue of certification and confirmation of the quality of fruit and berry products becomes especially important.

In Europe and many other countries around the world, the most popular standard for good agricultural practice among farmers is Global G.A.P.

Global G.A.P. (G.A.P.- Good Agricultural Practice) is a program launched 15 years ago by retail chains in Europe to ensure the safe production of food and ornamental plants. The main task of GLOBAL G.A.P. is to ensure the monitoring of production. Its purpose is to confirm that food is safe and does not harm the health of customers or the health of workers involved in their production (cultivation). The certification also confirms that the production does not harm the environment. Based on the system of good agricultural practice, certification according to GLOBAL G.A.P. determines the list of criteria to be met by each manufacturer.

It is not necessary to have this certificate in order for domestic fruits and berries to cross the EU border. However, in the European Union, this certificate is an advantage that helps manufacturers enter new markets and achieve higher prices for products in negotiations with foreign business partners. In a highly competitive market

environment, certification is becoming almost mandatory. In Europe and many other countries around the world, retailers are already requiring farmers to provide Global GAP certification as a prerequisite.

For some reason, Ukrainian farmers are afraid of certification of their production according to the GLOBAL G.A.P. Fears arise primarily from lack of information. Indeed, the list of criteria for verification during certification is significant, but they are both mandatory and only recommended. In addition, preparation for certification gives the economy the opportunity to clearly understand its strengths and weaknesses, structure production processes, improve the organization of production and improve paperwork. In the fruit sector of Ukraine there are currently a number of companies that help prepare for certification and accompany agricultural enterprises during the external audit. It is quite possible to prepare for certification and successfully pass it [76, p.63-69].

Another group of problems in the development of the horticultural industry, which, in our opinion, requires state regulation, is the economic conditions in which business in gardening is developing today. As you know, gardening is an industry that requires long-term investment resources, primarily due to the fact that the young mortgaged garden at an annual cost of care begins to bring income in 5-8 years. There is no support from the state and in the field of agricultural insurance.

The horticultural industry is developing in an environment where producers of various forms of management, sellers and numerous intermediaries and retail chains are in different tax conditions, which does not contribute to the development of a competitive environment, forms inefficient and unfair relations in the distribution of income between participants market of horticultural products, primarily not in favor of producers. Among the manufacturers there are payers of income tax and VAT and those who do not pay them, which leads to a significant increase in prices for horticultural products in the domestic market, reduction demand and reduce its consumption by the population.

A significant sector of small producers of fruits and berries that grow marketable products on small plots of land and in private farms population needs more careful

research, evaluation and civilized attitude to the development of the horticultural industry.

The support of the state and public institutions for the cooperation of personal farms, the formation of partnerships with large businesses in processing and trade are necessary conditions for organizational assistance to the rural population to earn income on a legal basis, using their own resource and human potential, and promote rural development of the support of the state and public institutions for the cooperation of personal farms, the formation of partnerships with large businesses in processing and trade are necessary conditions for organizational assistance to the rural population to earn income on a legal basis, using their own resource and human potential, and promote rural development.

However, only measures to support national agriculture do not solve the problem of economic affordability of food for all segments of the population. Macroeconomic stabilization and balance are the only ways to strengthen and guarantee food security. The mechanism of interdependence such: macroeconomic development of the economy determines the growth of real incomes and, consequently, demand for food, which, in turn, determines growth rates and quality in the agri-food sector.

Thus, measures of state support for the horticulture industry to restore it in the background overall economic growth and income will contribute to the further development of the industry.

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## 6. Theoretical aspects of efficiency of management activity of administrative service

In modern conditions, the effective management work of managers at different levels of management depends on the results of any organization. Therefore, there are real theoretical and practical needs in the need to characterize the content of their management work, as an important condition that contributes to achieving goals in the external and internal environment of the organization.

Management work is a planned activity of employees of administrative and managerial staff, aimed at the organization, regulation, motivation and control over the work of employees of the organization [85, p. 170].

The content of managerial work depends on its object and is determined by the structure of production processes, methods of work, its technical equipment, as well as the relationships that arise in the process of performing managerial functions.

Management activity is a specific type of labor process. Managerial work has its own characteristics compared to productive work, which creates material values. Management is first of all work with people, and their labor activity is the object of managerial influence. This work is creative, mostly mental, which is carried out by man in the form of neuropsychological efforts. The process of mental work consists of such basic actions or operations as listening, reading, speaking, contacting, observing action, thinking, reasoning, and so on.

Management work – unproductive work. Participation in the creation of material goods is indirect, through the work of others. The product of managerial work is decisions, not goods and services, the subject – information. Figure 1 illustrates the logic of the management process and its focus on achieving organizational results.

The main tasks of management are to determine the goals of the organization and create the necessary conditions (economic, organizational, technical, social, psychological, etc.) for their implementation, "establishing harmony" between

individual labor processes, coordination of joint activities of employees (Fig.2).) [86, p.120].

In addition, management in modern conditions should be aimed at meeting the needs of employees, which, in turn, helps to increase the efficiency of the organization. Management is, first of all, work with people, and their labor activity is the object of managerial influence. Labor activity of people in the organization, their relations in the management process can indirectly act in the form of information in its various forms.

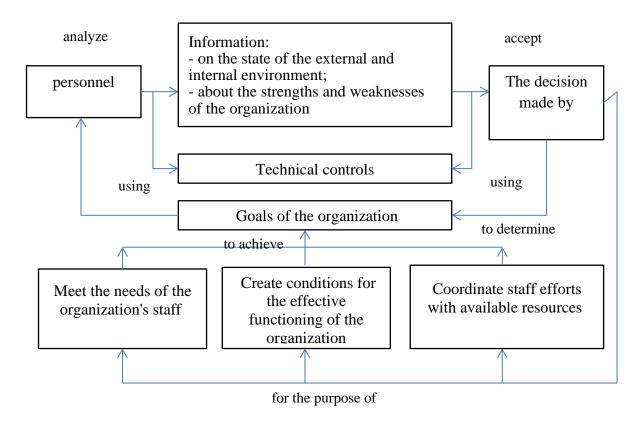


Fig.1. The logic of the process of managerial work

Source: formed on the basis of [85-87].

In the process of management work is the collection, processing, transmission of information. Connections in the management process between different managers, between the manager and production staff are also carried out through information. Therefore, management work has an informational nature.

The work of the manager is a purposeful specific type of mental activity to ensure the effective operation of the managed system.

## SCIENTIFIC AND PRACTICAL PRINCIPLES OF DEVELOPMENT OF TERRITORIAL COMMUNITIES IN THE CONDITIONS OF DECENTRALIZATION OF POWER

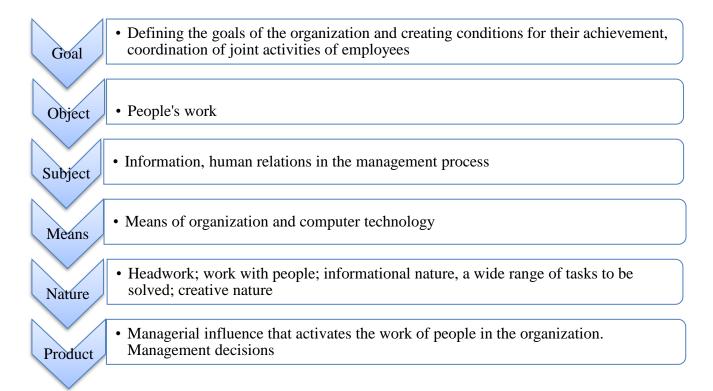


Fig.2. Features of managerial work

Source: formed on the basis of [90, 91]

Under the organization of managerial work is understood the order, rules of official conduct in the management apparatus, aimed at performing long-term and current tasks of managers, specialists and other employees in accordance with current job descriptions and regulations on the structure of the unit. The organization of work in the management apparatus is based on the development of a set of regulations that determine the place and role of each structural unit of the management staff and each employee in the management system; the order of relationships between them; forms of influence on the activities of the object of management; ways of contact with the external environment.

The organization of managerial work as a system – the result of orderly activities as an integral part of management. The subject of the manager's work is information about the objects of management and the external environment. The object of the manager's work is the staff of the managed system and the relationships that develop in it in the process of performing certain functions.

The means of organizing the work of the manager is a set of organizational and accounting techniques for obtaining, recording, transmitting, copying, reproducing, processing information necessary for the implementation of the system management process.

The work of the manager differs from the work of other employees of the management system (Fig. 3) [87, p.58]. It has a creative character. The manager must constantly on his own initiative to find ways to ensure the effective operation of the managed system and mobilize its staff.

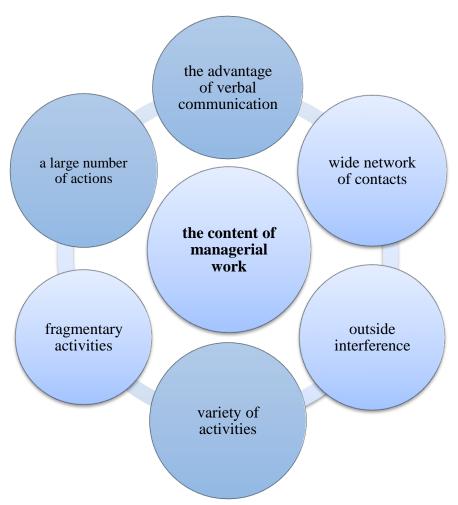


Fig.3. Characteristics of the content of managerial work

Source: formed on the basis of [87, 93]

The manager is first of all the organizer of work of this or that system. He is always faced with the task of uniting staff into a single whole and determine the strategic directions of its activities, coordinate the work of functional units and direct executors.

In the process of organizing work, the manager performs such functions as forecasting, organization, planning, accounting, control and regulation. In the managed system, he is not only the organizer but also the educator of the staff. To do this, the manager applies the appropriate principles and methods of influencing him.

Thus, in a market economy, the requirements for managers of enterprises and organizations increase sharply. They must constantly work on themselves to demonstrate in the process of performing their functions high professional and personal qualities, which will accordingly affect the effectiveness of management decisions.

Decisions can be made by a person in three main systems: technical, biological and social, which, in turn, can be interconnected. These types of systems have different levels of unpredictability in the results of solutions.

Depending on the conditions of implementation of decisions in the social system, the leader can achieve from subordinates both cooperation and confrontation. The professionalism of a specialist who develops or implements a solution is determined by his ability to create a stimulating environment for certain actions.

Decisions made by a leader in the social system are called managerial. Decision-making in management is a systematic process. As a rule, organizational management processes are very diverse, multidimensional and have a complex structure. In a general sense, the management process in local self-government consists of general management functions, which are combined into management cycles and related to decision-making (Fig. 4).

Local government decision-making should be a conscious choice of available options or alternatives that reduce the gap between the current and future desired state of the problem. The decision-making process itself includes many different elements, but it certainly contains such elements as problems, goals, alternatives and the solution itself. This process is the basis for the formation of programs of socio-economic development and planning of activities in local self-government, as programs and plans are a set of decisions in the field of management, current activities and other areas to

achieve goals. Life-making in villages, cities, ie communities is based on decision-making.

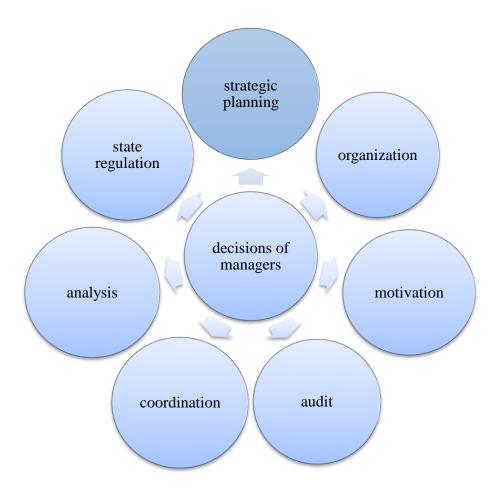


Fig.4. Management cycles in local government Developed by the authors

Decisions should be seen as a product of managerial work, and its adoption – as a process that leads to a new quality.

The problem of making managerial decisions is one of the central places in the sociology of the organization. Considering the organization as a tool of management, sociologists and specialists in management theory, directly link its activities primarily with the preparation and implementation of management decisions. The effectiveness of management is largely due to the quality of such decisions. Sociologists' interest in this problem is explained by the fact that the decisions fix the whole set of legal relations that arise in the process of employment and management of the organization, they fully relate to the activities of local government. Through them, goals, interests,

connections and norms are formed in the processes of fulfilling the powers assigned to the local self-government body.

The authors, based on generalizations, identify the main features of management decisions in local government.

First, the representative body of local self-government is elected, consists of deputies, and in accordance with the law is given the right to represent the interests of the territorial community and as a governing body makes decisions to address strategic issues of territorial development.

Secondly, guided by the principles of unity and collegiality, local government officials choose areas of action that can significantly affect the lives of many people.

Third, the need to develop self-organization of the population is taken into account. Fourth, democratic forms and methods of work of local self-government bodies with enterprises, institutions and organizations that are not in communal ownership of the respective territorial communities are being introduced.

Fifth, to ensure the effectiveness of the legislation provides for the binding nature of acts and legal requirements of bodies and officials of local self-government.

Sixth, given the fact that the decision-making process in the activities of local self-government bodies is quite complex and responsible, some formalization and professional training of local self-government officials is needed.

Seventh, the formation of management decisions by local governments is carried out in the development of local democracy.

Decision making is a science and an art. The role of the decision is huge. The most important issue for the successful functioning of local government as an organization is how it can identify problems and solve them. Every decision concerns a problem, and the right decision is the one that best contributes to setting the goals of local government and its components. However, defining a goal does not mean formulating a problem, and without it there is no need for decisions and actions. The goals they often try to achieve may not be sufficiently understood. Setting the wrong goals means formulating and solving problems incorrectly, which can lead to much

greater losses than ineffective problem-solving. In this regard, the main official of local self-government plays a very important role.

Decision-making is not only a process, but also one of the types of mental activity and manifestation of human will. It is characterized by the following features:

- the ability to choose from a variety of alternatives (if there are no alternatives, there is no choice and, therefore, no solution);
  - the presence of a goal (aimless choice is not considered a solution);
- the need for a voluntary act of the person making the decision, as it forms a decision in the process of struggle of motives and thoughts.

The decision can be considered as an organizational act, as one of the main stages of the management process, as an intellectual task, as a process of legalization of managerial influence on the managed subsystem of local self-government.

The legal essence of the managerial decision is the ability to take specified measures in the legal field, ie in strict compliance with the laws of Ukraine, international obligations, domestic and other documents.

The organizational essence of the management decision is that for its development and implementation in the local government should be appropriate opportunities, in particular:

- the required number of officials;
- instructions and regulations governing the powers, rights, duties and responsibilities of officials;
  - all necessary resources, including information;
  - equipment and technologies;
  - control system;
- the possibility of constant coordination of the process of development and implementation of management decisions.

The social essence of the managerial decision is to apply the mechanism of management of performers in order to achieve the interaction of all its participants. The needs and interests of both officials and members of the territorial community, motives and incentives, attitudes and values, fears and anxieties must be taken into account in

the management decision itself or in the process of its development and implementation.

The economic essence of management decisions is that the development and implementation of any management decision requires human, financial, material and other resources. Therefore, each SD has a real cost. It is the result (product) of management activities and should be evaluated by the results of its implementation by the local government. By comparing the advantages and disadvantages, costs and possible benefits of developing and implementing a management decision, you can determine the feasibility of this work.

The technological essence of the management decision is manifested in the ability to provide local government officials involved in the development and implementation of management decisions, the necessary technical, informational tools and resources. When planning the development or implementation of a management decision, the manager must simultaneously form a technological basis for it.

Thus, the managerial decision is an integral part and a direct result of the mental management activities of local government officials. An administrative decision is any document or word, action that makes sense and is aimed at its further implementation. Such decisions have certain features that are imposed by the conditions of activity of local self-government bodies determined by the legislation.

The timeliness of management decisions depends on the effectiveness of the administrative service. Assessment of management activities is associated with certain difficulties due to its specificity. It is difficult to evaluate the mental work involved in the creation of material goods through the work of other employees. The results of management work are significantly distant in time and space from the moment and place of costs and are virtually inseparable from the results of the operation of the object of management. It is characterized by the interconnectedness of management functions and the difficulty of determining the contribution of each manager. There is a need to combine the simultaneous assessment of personal qualities and the results of the structural unit and the organization as a whole. All this significantly complicates

the methodological approaches to assessing the effectiveness of management activities in the implementation of substantive and organizational issues.

"Evaluation of the effectiveness of management" is a more complex concept than "evaluation of management". Its purpose, in contrast to the latter, is not only to establish the compliance of the manager to the position, but also to determine the value of the employee in the management system based on the effectiveness of his work in ensuring effective management as a whole. This difference should be reflected in the content of the evaluation of the effectiveness of management staff, as the purpose of the evaluation largely determines its content.

Different categories of management staff are involved in management: managers, specialists and technical executors. Therefore, the methodology for determining the content of the evaluation of the effectiveness of management staff requires a comprehensive approach and unification. Most researchers believe that the evaluation of all categories of management staff should be carried out in three areas: the assessment of personality, its work and its results. At the same time, the most controversial issue is the content that is invested in each of these areas.

During the assessment of personality in recent years, a competency-based approach has become widespread [88, 89, p.10, 90, p.23, 91, p.93]. In the practice of assessment, a new term has appeared – competence, which is a systematic manifestation of knowledge, skills, abilities and personal qualities, through which a specialist can solve specific professional problems. The success of the new term is due to the fact that these, in fact, personal and professional characteristics are new systemic formations of a higher level than just knowledge, skills, experience, abilities and so on. The presence and level of competencies are assessed by business and personal qualities and necessarily by the results of the employee's work. However, some researchers believe that the competency approach is appropriate only for managers of organizations where it is difficult to assess organizational effectiveness (civil service, education, health care, etc.) [91, p.91].

These methodological requirements give us reason not to reduce the assessment of the effectiveness of management staff only to the assessment of professional competencies, and consider this issue more broadly - through the assessment of professional suitability, as it will contain many other components that can not be fully attributed to the qualities (skills, abilities, abilities, etc.). Therefore, the content of the assessment of professional suitability of employees in the field of management should include an assessment of their knowledge, skills and abilities, personal and business qualities and abilities.

The second direction of assessing the effectiveness of management staff, some authors define as an assessment of the complexity of the functions performed, others — as an assessment of managerial work. But, since the complexity of functions is an integral part of it, it is legitimate to evaluate management work in general.

The third direction – the evaluation of the results of work should take into account the evaluation of its effectiveness, and evaluation of its objectives. Targeted evaluation of the results of the work of management staff has not yet received a thorough theoretical and methodological development, but experts consider it as a promising area of research.

An important methodological issue for assessing the effectiveness of management staff is to determine its system of criteria. Evaluation criteria are the key parameters by which the performance of management staff will be evaluated. The system of criteria and its composition is one of the basic issues of evaluation activities.

In domestic and international practice, a significant number of criterion systems for evaluating management staff has been developed. Depending on the content of the assessment, there are several main approaches: functional, qualification, personal, situational, managerial, organizational, role, target, etc. [92, p.317]. All available approaches are based on the reference model of an effective manager. Differences between approaches are determined by perceptions of how an effective leader differs from an ineffective one.

The system of criteria for evaluating the effectiveness of management staff should have a generalized, unified form and determine the methodological basis for the construction of modified subsystems of indicators and indicators. The latter should reflect the specifics of the managerial functions performed in specific positions. At the

same time, the criteria should characterize both general points that are equivalent for all employees of the department, and specific norms of work and behavior in accordance with a particular position. This will allow the system of criteria with some adjustments to be used in any organization.

In accordance with the defined content, a system of criteria for evaluating management staff was built, which is presented in Fig. 5. It includes two main subsystems of criteria: criteria for evaluating the results and objectives and criteria for assessing the place and role of the manager in the management process. These two subsystems of criteria cover the generally accepted areas of evaluation of management staff – evaluation of results and achieved goals, evaluation of individual work, evaluation of professional suitability of the employee for the position.

The main direct result of management activities of managers is the adoption (preparation) and implementation of management decisions that cause significant changes in the results of the organization, as well as the actual managerial influence. However, in practice, the results of the work of most managers, especially managers and professionals, can not be directly quantified, they can be assessed only indirectly. Based on these provisions, analysis of the theory and practice of evaluation activities in the field of management, a generalized model for evaluating the performance of management staff should include the following criteria: the degree of achievement of goals; degree of performance of official duties; the level of quality of work performed; the level of compliance with deadlines; the level of use of available opportunities; degree of efficiency of individual work; the level of influence of the employee on the results of the unit (governing body) in which he works. The last criterion is decisive, it summarizes all other characteristics of productivity.

The level of the employee's influence on the results of the department (body) in which he works is difficult to assess, because even the contribution of the management system in the overall results of the organization, most scientists believe is impossible. According to the organizational results, it is most expedient to evaluate, first of all, the efforts of line managers, approaching each case individually. Often such an assessment is characterized by qualitative certainty. However, the assessment of the results of

management is quite conditional. The possible inaccuracy of the assessment of the results of the work of management staff can be corrected by the assessment of the work itself.

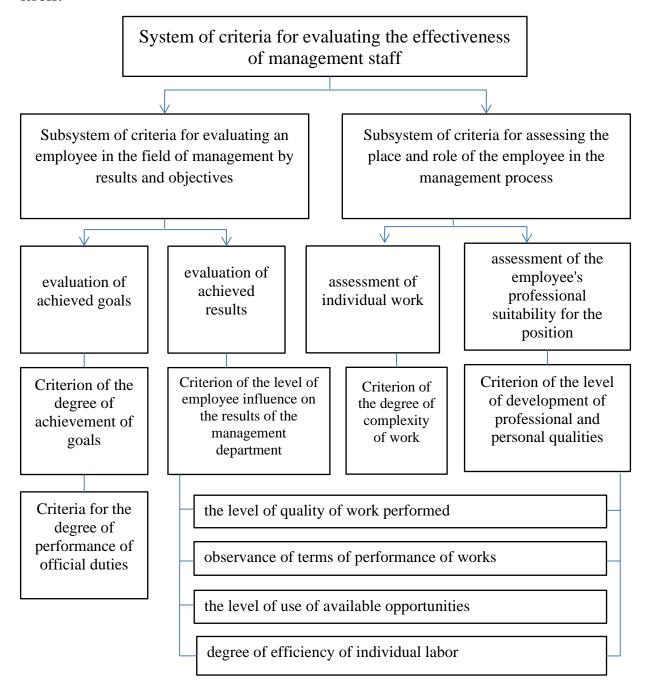


Fig. 5. System of criteria for evaluating the effectiveness of administrative staff Source: based on [91-93]

Assessment of individual work is based on a single criterion – the complexity of work. This criterion comprehensively characterizes the nature and significance of the work, which allows a more objective assessment of its results. In the literature, when developing questions to assess the complexity of the work of management staff often

emphasize the contradictory nature and difficulty of its implementation. However, most modern researchers have reached a consensus on how to solve it. When assessing the complexity of individual work must take into account the nature and characteristics of the assessed type of management, its content, scale and complexity, nature and degree of responsibility, degree of independence, the ratio of creative and standard tasks, the need for various skills and more. Therefore, the main task in assessing the complexity of labor remains the development of its quantitative methods.

As already noted, the assessment of performance and complexity of work in relation to employees of the management system is either incomplete or conditionally calculated. In addition, the evaluation of work and its results is an evaluation of the past. However, when evaluating employees, it is important not only to determine their reward for past successes, but also to identify their level of readiness to meet future challenges. This requires an assessment not only of the results of their activities, but also of the potential, which significantly complements the first.

According to the assessment of the potential of the manager, or according to the assessment of his professional suitability for the position, it is possible with a certain degree of probability to judge the effectiveness of certain types of his activities in the future. The main ideas of this assessment are based on data from psychology. It confirms the relationship between mental traits of the individual and his activities. Assessment of professional suitability of management staff is a necessary condition for staff rotation, transfer of managers to senior positions, changes in goals and strategies of the organization. Also, the potential of the employee must be assessed to predict his behavior in critical, difficult situations. For the employee himself, such an assessment is important as a guide for self-development.

Assessment of professional suitability includes assessment of general and specific knowledge of management staff, their skills, abilities, professional and business qualities. It should be borne in mind that the qualities of the employee are not something frozen, unchanging – they are constantly transformed, some of them are revealed in some conditions, and others – in others. Therefore, the assessment of professional suitability is significantly determined by time limits. Nor can knowledge,

skills, and character traits be considered in general. In our opinion, the assessment should include the following criteria: the level and range of development of professional knowledge, skills and abilities; level and range of development of professional abilities; level and range of development of personal qualities [93, p.10]. Therefore, the assessment of this area must be based on a systematic approach.

The competence of managers and their professionalism have a significant impact on the corporate culture of local government, which is a "hidden reserve" in management.

The modern concept of corporate culture began to form structurally and meaningfully in the 1980s in the United States under the influence of the following three areas of research: strategic management, organizational theory and organizational behavior. The pioneers in this direction were researchers T. Peters, R. Waterman [94, p.137].

Interest in the study of the new formation of corporate culture of the united territorial communities arose due to certain changes in the environment, one of which is the change associated with the rapid development of information and communication technologies. Thus, O. Bobrovska notes that corporate culture outside society and without connection with the environment can not be implemented, and its implementation should take into account the peculiarities of society in which it is intended to use [95].

In the context of reforming local self-government, the issue of corporate culture development has recently been increasingly devoted to the formation and development of corporate culture of local self-government bodies. In order to generalize the definition of "corporate culture" we present the definition of this category with the selection of the essential component (Table 1) [96, p.116]. Research on the definition of "corporate culture" has identified the priority of its interpretation as a system of personal and collective values.

Based on the statement of O.Bobrov's corporate culture is seen as an instrumental apparatus through which each member

territorial community, team or organization can solve specific problems in the movement of their interaction with the environment and can be a factor that determines the effectiveness of activities, deterring unwanted changes, stressful situations and stress [95].

Thus, the formation of corporate culture is influenced by internal and external factors. In the first case, this is due to long-term practical activities, the result of which is the selection of the best norms, rules and standards proposed by him and the team. In the second – the formation of corporate culture is influenced by the system of values, goals and mechanisms for achieving them, formed in society.

Table 1 Characteristics of the definition of "corporate culture"

Author	Definition
D. Eldridge,	Unique characteristics to perceive the features of the organization, what
A. Crombie	sets it apart from others in the industry
E. Shane	The pattern of collective basic ideas obtained by the group in solving problems of adaptation to changes in the external environment and internal integration, the effectiveness of which is sufficient to consider it valuable and pass on to new members as a proper system of perception and consideration of these problems
E. Shane	A set of important provisions that are perceived by members of the
O. Vikhansky,	organization and embodied in the values declared by the organization and
A. Naumov	set people guidelines in their behavior and actions
V. Singer	The system of material and spiritual values that interact with each other, inherent in this corporation, reflect its individuality and perception of themselves and others in the social and material environment, manifested in behavior and interaction with the environment
R. Solovyova,	A set of certain norms and values that must be consistent with the strategy
E. Belyaev	and external environment of the organization
G. Hayet	The system of values, beliefs, beliefs, ideas, expectations, symbols, as well as business principles, norms of behavior, traditions, rituals, etc., which have developed in the organization or its departments during its activities and which are accepted by most employees

Source: formed on the basis of [95-97].

Problems of formation of corporate culture are connected, first of all, with necessity of maintenance of harmonious interaction of its separate elements as in any organization unevenness of their influence which is a basis for development and perfection is always observed. The nature of corporate culture is manifested through the system of relations, which includes the attitude of employees to their own professional activities and organization as an objective condition for its implementation. One of the important

elements of the system of relations is the subsystem of labor relations, the functioning of which has a direct impact on the efficiency of local governments.

Polishchuk N. researching corporate culture, focuses on its formation and development through the stimulation of innovation [97]. Innovation depends on information and communication support. The foundation of the formation of corporate culture is primarily effective internal corporate communications, which are the main tool of communication projects of local governments.

The proposed conceptual model of forming the corporate culture of local governments (Fig. 6) forms a comprehensive vision of an effective model that can ensure the leadership of their effective activities through the introduction of tools of organizational and communication support.

Describing the implementation of communication projects in local governments, N. Drahomyretska notes that project activities belong to the category of innovative creative activities, as it involves the transformation of reality, based on appropriate technology that can be unified to master and improve. The author argues that the implementation of communication projects is unique in that it provides an opportunity to involve the public in management processes. N. Drahomyretska characterizes the project of communicative activity of public administration as an intellectual model, the implementation of which contributes to the intellectual, emotional and behavioral structure of the recipient of the message, and therefore the project is to some extent communicative [99, p.106].

According to the content, the project is a temporary activity that involved coordinated implementation of a set of innovative, research, design, socio-economic, organizational, economic and other interrelated activities.

According to some scholars, the project is a unique set of coordinated works of a given content with defined start and end dates, limited cost and implementation time, which are aimed at achieving the planned goals in terms of duration, cost and satisfaction of participants. The Law of Ukraine "On Cooperation of Territorial Communities" contains an interpretation of the definition of a joint project, which defines it as a set of measures carried out by local governments at the expense of local budgets and other

sources not prohibited by law and aimed at socio-economic and cultural development territories [100].

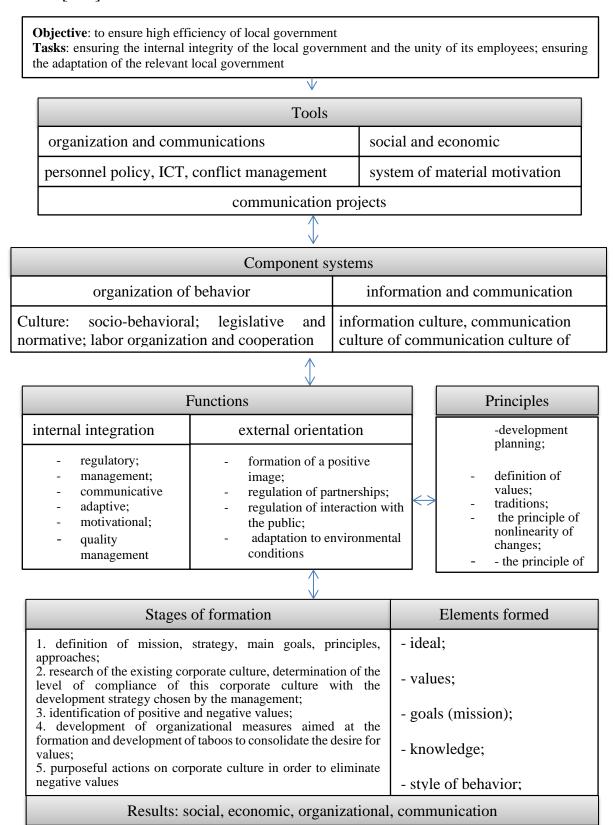


Fig. 6. Conceptual model of formation of corporate culture of local governments Source: formed on the basis of [96, 97].

A communicative project is a special form of reflecting the needs, interests, attitudes, aspirations, expressed in a certain symbolic form, it is a special technology of building government relations with the public, which involves investing certain resources (financial, material and human) to achieve goals and achieve planned the result in a timely manner with the involvement of the public in management processes.

According to V. Dreshpak, a communication project is a project whose purpose is to create unique products, services or results in the field of communications, due to which there are targeted changes or preserved parameters of certain communication systems or their individual elements. the amount of resources provided and what is used mainly communicative tools [101, p.10].

In the context of forming a corporate culture E. Kaverina argues that communication projects should be considered as a strategic system of actions aimed at achieving a cascade of corporate goals, namely strategic goals (broadcasting corporate myth and tradition, propaganda of corporate values, initiating interaction with partners, etc. motivational goals (creating a positive creative atmosphere) and goals of teamwork (team building, identifying latent professional and personal reserves of staff).

In the context of the study, it is advisable to present a conceptual scheme of the substantive characteristics of the communicative project in terms of the formation of corporate culture of local governments (Fig. 7).

The conceptual scheme of meaningful characteristics of the communicative project in the aspect of formation of corporate culture of the united territorial communities is formed. This will allow a comprehensive approach to the development and further implementation of communication projects with timely decision-making on targeted changes in certain communication systems or their individual elements in case of negative changes in project activities, or maintaining the status quo in case of positive dynamics of communicative activities.

The content components of the project highlighted in Figure 7, which have a certain set of characteristics, are a confirmation of the fact that the project should be classified as communicative. Important features of a communicative project in terms of forming the corporate culture of united territorial communities is that even if projects

are similar, they are never implemented in the same environment and context, so communicative projects are unique. They are temporary, so they are determined by the specific beginning and end of each project.

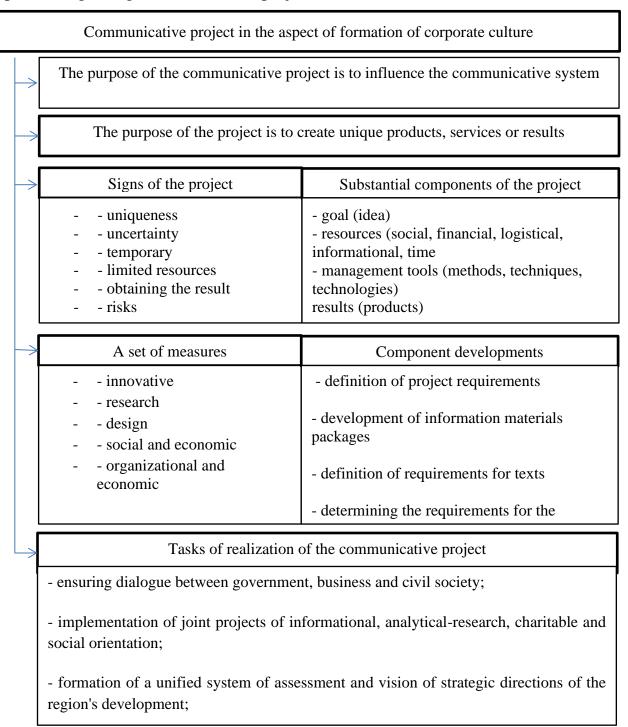


Fig.7. Conceptual scheme of meaningful characteristics of the communicative project in the aspect of formation of corporate culture of local self-government bodies Source: based on [99-101]

Therefore, the start time can be set, as the project starts with how long the temporary project team is organized and the key team is appointed. Because projects are not repetitive, are performed for a product with unique content and provide certain conditions, fulfilling their missions is not always an easy task and is accompanied by some uncertainty. This uncertainty leads to risks due to uncertain information, immature or untested technology and unpredictable factors. In projects, these risks are overcome with the help of the project manager and the combined knowledge and creativity of team members. The project team is created and operates during the implementation period of the communicative project. Its composition and functions depend on the scale, complexity and other characteristics of the communicative project that determine its uniqueness.

Like any project, a communication project has a life cycle – the period from the appearance of the concept of the future product of the project or the requirements for it (information) to the moment of putting this product into operation (closing). The life cycle of a communicative project consists of several phases, each of which involves the implementation of certain actions that lead to an intermediate result. There is no generally accepted division into phases, but all phases are performed in chronological order. It is important that at the end of each phase it is necessary to evaluate, provide justification for further implementation of the communicative project [102, p.474] (Fig. 8).

For the purpose of effective communicative activity N. Drahomyretska [99, p.107] proposes to introduce a project approach to management, which should be accompanied by structural changes, namely to move to a two-tier structural organization, which provides a level of formal administration, including all types of management activities, and the project level. From a team organization perspective, the project level may include temporary and permanent project teams. From the standpoint of the direction of work, the project level is related to the communicative activities of local governments.



Fig.8. Characteristics of the phases of the life cycle of a communicative project. Source: formed on the basis of [99, 103, 104]

Thus, in the context of systemic transformation of public administration, reform of local self-government and the formation of new territorial communities, communication projects in the context of corporate culture are of particular importance in addressing a number of issues of organizational, communication, socio-economic nature. In this regard, communication projects in the context of corporate culture should be actively used to develop cooperation and the formation of competitive local communities, which in turn requires the creation of an effective model of communication in public administration and administration.

Reforming the public administration system in the direction of building an effective, transparent, open and flexible structure of public administration using the latest information and communication technologies (e-government), which is able to develop and implement a comprehensive public policy aimed at sustainable social development and adequate response to internal and external challenges highlights the development of communications in the field of public administration and administration [103]. With the change of management paradigm from information to communication, the implementation of a number of measures to implement a new - communication policy, the

government will be able to reduce the distance between government institutions and civil society and achieve full social harmony and mutual understanding [104, p.121]. Structural and functional analysis of the communication system in public administration in order to form a theoretical (ideal) model of effective communication should begin with the primary, grassroots level – the organization, institution of government. Considering its communication system (internal and external communications), we reach the middle level – vertical communicative relationships of government agencies in the industry and branch of government, and through their horizontal links we design a communication system of public authorities at regional and central levels.

To build a theoretical model of effective communication in public administration and local government requires the adaptation of classical communication theories and modern scientific approaches to communication interactions in the subject area of public administration and administration, as a systemic entity with multilevel structure and content of information-motivational interactions between subjects of different hierarchical levels and different types of power aimed at transmitting information, exchanging information, encouraging activities in accordance with the content of the information message, producing information in the process of mutual exchange, forming individual and collective consciousness and relevant actions of public actors different authorities of the communicative environment. It is necessary to take into account the multilevel structure, which is due to the presence of subjects of different hierarchical levels and types of power. As a result, the model should reflect communication interactions at at least four levels, namely: public, as ensuring the implementation of public administration as one of the types of government, in the system and through the use of network society (media policy), unprogrammed communication networks; on public administration, as providing information services to public authorities and local governments; on the internaladministrative, as an internal component of the public-administrative process of providing a set of effective communications in the public authority and in the power vertical in general; at the external management as a process of providing a set of communications with citizens and civil society institutions [105].

Together, these four aspects form the content and subjectivity of the state's communication policy, which should ensure the creation of developed institutionalized communications between government and citizens, on a fundamentally new basis – equal partnership.

Depending on the basic methodological principles of a school of management, the corresponding system of communications is built. As a result of the analysis of the approaches "school of scientific management", "school of human relations", "school of social systems" it is possible to compare the principles of communication construction (Table 2).

Table 2 Comparison of principles of communication construction

Aspects of analysis	School of Scientific Management	School of human relations	School of social systems
Target	transfer of orders, regulations, standards, control and evaluation information	ensuring interactions, for the actions of staff in the decision-making process, ensuring self-realization and self-identification of individuals	ensuring interactions, for the actions of staff in the decision-making process, ensuring self-realization and self-identification of individuals
The predominant direction of communication flows	vertical, horizontal on leadership levels, management; elements horizontal communications (delegation powers and responsibility)	horizontal (in the group and between units)	vertical, horizontal in the organization; external communications
Importance of communications	relatively small, important vertical communications (from manager to subordinate: forward and reverse flows)	great importance of horizontal communications between individuals of the same level; vertical communications are important for conveying information about staffing needs	great importance because it is an integral part functioning of the system, due to the provision of relationships
	standard tasks that need to be solved quickly and clearly	non-standard tasks that	tasks that need to be coordinated with rapid environmental change

Source: formed on the basis of [105, 106]

It is a well-known fact that the manager spends most of his working time on communications, and therefore management, that is, is the management of communications. So, in general, consider this process in government. The manager, in the apt words of P. Drucker, "directs and organizes people to perform tasks, but no more. His tool is written or spoken word or language of numbers. Whether the manager's work is related to technology, settlement operations or product sales, the manager's effectiveness depends on his ability to speak and write. He needs the art of bringing his thoughts to the minds of others. "L. Iacocca drew attention to another aspect of management, noting that "appointment as a leader is to encourage other people to work, if he does not know how to do it, he is not in his place" [106, p.112]. So, let's make the first generalization about building effective communications: the need for proper leaders at all levels of public administration.

In general, the communication model of the authority can be presented in the form of a set of information flows of policy, analytical, image and other data, passing through formal and informal vertical and horizontal channels of the organization from sender to recipient, integrate management activities (Table 3).

Table 3
Generalized model of government communications

Types of communication flows	The directi	on of flows	Content / form of information	Structures (subjects) of communicative interaction
Internal (formal, informal)	vertical horizontal	upward flows low flows in departments between departments	directive (regulatory) analytical evaluation reporting	structural subdivisions of the organization, institutions of the power vertical
External (formal, informal)	vertical horizontal	upward flows low flows in departments between departments	agreement PR marketing	structural units of the organization, institutions of various branches of government, civil society institutions

Source: formed on the basis of [106, 107]

## SCIENTIFIC AND PRACTICAL PRINCIPLES OF DEVELOPMENT OF TERRITORIAL COMMUNITIES IN THE CONDITIONS OF DECENTRALIZATION OF POWER

To ensure the effectiveness of formal communications management, an information network is needed that provides two-way communication with minimal distortion. It can be built on the principles of Charles Barnard, namely [107]:

- communication channels must be clearly defined and well known to all members of the organization;
  - for each member of the organization should be defined its formal ties;
  - communication lines should be as short and straight as possible;
  - communication lines must be used in full;
  - the competence of persons who are communication centers should be appropriate;
  - interruption of communication lines is inadmissible;
  - each message must be authentic.

It should also be borne in mind that even with perfect communication it is possible to distort information due to the parallel flow of information through informal channels (team perception, informal components of management style, norms of behavior, individual goals, values and norms, etc.). Due to these factors, the process of perception of information and real motivation for action, laid down in the communicative message. At the same time, individual perceptions and motivations for the actions of individual employees should be mutually consistent, in particular through the influence of the processes of control and reporting of the individual and the group on the actual actions and implementation of directives. Based on the control and informal information received through formal and informal channels, the sender adjusts his further directives and interactions, which take into account, in particular, the peculiarities of individual, group, organizational behavior in the perception and implementation of the communicative message. Thus, the information flow "bottom - up" of reporting and control, initiative and innovation and information on the perception, implementation of orders, evaluation of management and subordinates forms the content and mechanism of feedback. It should be noted that in comparison with the downward flows of instructions and orders, information flows of feedback are less intense due to: their deliberate limitation by management, in particular to prevent information overload and significant passivity of subordinates. Therefore, to ensure the effectiveness of communications requires the organization and intensification of continuous feedback through its regulation. At the same time, it is necessary to minimize the distortion of feedback information, in particular reporting, when transmitting at the levels of the hierarchy, where each of them may lose some of its objectivity due to adjustments "in their favor".

In modern conditions, reducing the levels of hierarchy of power and the formation of horizontal structures is extremely important in ensuring the effectiveness of the communication system. Horizontal communications account for the bulk of the organization's internal communications.

The model of effective communication should ensure perfect management of formal communications and effective correlative influence on informal communications, both internal and external.

Management of formal communications takes into account: 1) construction (structure); 2) regulation (correction) of communication and information flows. The structure (structure) of formal communications is set by certain tasks and functions of the authority and its structural units and is formed together with the organizational structure. Therefore, regulations, fixing the rules and regulations of formal communications, are their basis. This regulation provides: a clear definition of the relationship, rights and responsibilities of horizontal and vertical governments; determination of duties, rights and responsibilities of structural subdivisions and specific officials of the management staff; formation in accordance with the regulatory framework of the management system (the number of levels and units, their relationships, subordination, the number of employees at each level and for each function, etc.); streamlining the means and methods of performing certain management tasks; determination of criteria for stimulating institutions, their structural subdivisions and individual employees.

Formal communications as regulated forms of interaction of subjects take place in a certain information space and require appropriate information support. Its analysis and design involves determining: the structural capacity of the governing body to fully ensure the implementation of the goals, objectives, functions of the institution, department, individual employee; existing shortcomings of the existing system; measures to improve it. The main key areas of information support of formal communications are: maximum

reduction of document flow, reducing the complexity of document processing and accelerating their passage in the management apparatus; search for reserves to reduce the complexity of processes through their rationalization and automation; determination of adequate methods of formation, processing and transmission of information.

The effectiveness of communication largely depends not only on the perfect management of formal communications, but also on the ability to ensure the complementarity of informal communications through effective corrective action on them as informal leaders and administrators (managers, officials).

Informal communications that arise between employees in the course of their professional activities are characterized by a certain degree: spontaneity, due to the peculiarities of the informal structure of the team; independence from the will of the administration; importance for the subjects; structuring into groups based on mutual sympathies, systems of individual values and social characteristics (social origin, status, income, marital status, etc.) led by an informal leader. It is on the basis of the definition of informal structures (through the analysis of informal communications) that it is possible to adequately correct the impact on employees in order to ensure the effectiveness of communications in the organization or management system.

Thus, W. Bennis identifies four key skills of a leader to ensure his successful communicative interaction: attention management, meaning management; trust management; self management. In addition, management practice has developed a number of technological techniques (methods) to influence informal communications, among which are: internal marketing of the organization; use of forms of corporate self-organization (informal groups); use of informal information (rumors, distorted management commands and orders, organizational stereotypes, labels, negative assessments, etc.) in the interests of the organization and to strengthen the official structure; taking into account informal structures and taking measures to compensate for the shortcomings of the team in the distribution of tasks and organizational changes; creating conditions to meet the social needs of employees for interpersonal communication, creating a single team atmosphere in the workplace, promoting informal

groups that do not really harm the organization; transformation of productive informal structures, connections, communications into formal ones by enshrining them in corporate regulations and organizational structure of the institution; change of inefficient structural-functional interactions [108, p.157].

Management of external communications is an important component of the model of effective communication in the field of public administration, which is determined not only by the already mentioned internal factors, but also environmental factors as direct (corporate media structure of Ukraine, public administration, civil society institutions, legal framework and other stakeholders or groups of influence) and indirect action (international status, scientific and technological progress, political status, socio-economic and cultural development).

In this sense, the effectiveness of external communications will be ensured to the extent that effective and strategically sound interaction with stakeholders is established, which can contribute to: fairer and more sustainable development, giving those who have the right to be heard the opportunity to participate in decision-making; ensuring better risk and reputation management; pooling resources (knowledge, personnel, finance, technology) to solve problems and achieve goals that cannot be achieved by the organization itself; comprehensive assessment of the external environment for its development and identification of new strategic opportunities; receiving information from stakeholders on the improvement of corporate product (service) and corporate technological processes; informing, educating, influencing stakeholders and the business environment in order to improve decision-making processes and actions that have a positive impact on the organization (institution) and society; building mutual trust between the institution and its stakeholders.

As a result, the external environment of the power structure forms a set of social actors that are external factors of the organization and are directly related to its management activities. This subject covers the concept of "marketing environment", which, according to F. Kotler [109, p.275], is: a set of active actors and forces operating outside the organization, and affect the ability of management to establish and maintain targeted clients' relations of successful cooperation; consists of a microenvironment

(represented by forces directly related to the firm and its customer service capabilities) and a macroenvironment (represented by a broader plan that affects the microenvironment, such as demographic, economic, natural, technical, political and cultural factors); takes into account contact audiences (groups that show real or potential interest in the organization or affect its ability to achieve certain goals) – desirable, undesirable and necessary audiences (for example, the latter include the media). Given the content of the activities of the authorities and the corresponding features of the external environment, it is advisable to identify the following groups of external communications of the government:

- management communications information flows vertically and horizontally;
- marketing communications information interactions of the government with various public actors to ensure, in particular, the quality and customer orientation of public administration by creating a single complex that unites participants, channels and means of communication, and aimed at forming and motivating consumers (public services ), to form and maintain mutual understanding between the subjects, to form a proper image of the institution, to focus the attention of desired audiences on the activities of the authority, to inform about available services, to form a positive attitude of public actors, etc.;
- communications of public relations information interactions of the authority with various public actors to "establish two-way communication to clarify common ideas or common interests and achieve mutual understanding based on truth, knowledge and comprehensive information."
- S. Black gives a more specific definition: "PR one of the functions of management, which contributes to the formation and maintenance of communication, mutual understanding, commitment and cooperation between the organization and its public. They include solutions to various problems: provide the organization's management with information on public opinion and help it develop appropriate measures; ensure the activities of management in the interests of society; maintain it in a state of readiness for various changes by anticipating trends; use research and open communication as the main means of activity "[110, p.298].

As we can see, PR concerns various public spheres, including public opinion and production, financial, market relations, community life and public administration, international relations and the media, which they "can make a significant contribution to management practice in the broadest sense of the word. areas: counseling based on the laws of human behavior; identifying possible trends and predicting their consequences; study of public opinion, attitudes and expectations from the public and recommend the necessary measures for the formation of opinions to meet expectations; establishing twoway communication based on truth and full awareness; prevention of conflicts and misunderstandings; promoting mutual respect and social justice; harmonization of personal and public interests; promoting the formation of friendly relations with staff and customers; improving industrial relations; attracting skilled workers and reducing staff turnover "it becomes clear the importance and significance of the appropriate level of PR in the field of public administration, and hence PR-communications of public authorities and local governments. Therefore, PR should be part of an effective model of communication in the system of public administration - as a set of applied technologies and procedures, methods and techniques, means and tools of information interaction of all structures of government or the system of government with the external environment. establishment of subject-subject interactions.

The above contributes to the implementation of the main tasks in the administrative reform of Ukraine, in particular the reform of public administration and local self-government and a radical change in the relationship of central, regional and local authorities with citizens.

The essence of changing the way of relations – in the transition from administrative to management based on the principles of mutually beneficial cooperation; legal and financial mechanisms, etc. In this aspect and in the subject area of our study, the development of government should focus on the following criteria:

- formation of subject-subject relations between the government and citizens, communities and civil society institutions;
- respect, formation of friendly relations between the government and the public, understanding of its expectations and coordination of efforts to implement them;

- control over the authorities "from below" by civil society. Other important structural and functional components of the model of effective communication in the field of public administration are:
- creation of a productive working environment in public authorities and local self-government through the formation of working groups; creating a creative atmosphere and forming flexibility in teamwork; creation of open communication channels to ensure the free flow of information within and between organizations; improving the quality of working life and reconciling the interests of the organization with the interests of its employees;
- communicative competencies of managers on: setting goals (ability to set clear goals, focus on the main, specify ways and measures to achieve goals, ability to mobilize resources and efforts in achieving goals, align goals with the ongoing development of the organization and its members); ability to coordinate the goals of the organization and the goals of employees by means of personnel selection, creating the most favorable conditions for the development of its potential, the optimal combination of techniques of actualization and manipulation, delegation of authority and motivation of staff; possession of an arsenal of management styles, decision-making, business communication skills.

Generalization of the outlined aspects of the subjectivity of communications in the system of public administration makes it possible to form a theoretical model of effective communication, which systematically coordinates the complexes of communication horizontal – vertical, internal – external, formal – informal interactions of public space (presidential, legislative, executive, judicial central, regional and local levels, local governments, civil society institutions, environmental factors) at the public, public administration, internal management, external management communication levels in the processes of transmission, exchange and production of information, information motivation for action and formation consciousness (Fig. 9)

Levels	Factors influencing the environment								
authorities	Power								
aumornes	Legislative Exe		ecutive		Judiciary				
Central				- transfer of informa					social
Regional	Con	nmunic	ation	- motivation to action				<b>S</b>	public administrative
	space			- production of information - formation of consciousness				administrative	
Local			- formatio				Rela	External management	
						's' ion		ion	Communication levels
	Public	Religious	Charitable	press	Trade	Employers' organization	other	organization	Institutions
	Factors influencing the environment								

Fig. 9. General model of effective communication in the field of public administration

Developed by the authors

This model can be used both in the analysis of the current state of communications in the system of public administration, and in the study of individual communication problems.

Summarizing the above, it should be noted that the proposed theoretical model of effective communication can be used to analyze the existing system of communications in public administration and administration in order to develop proposals and recommendations for improving both communication policy and communication interactions in government and their communications, ties with civil society institutions. The formation of effective communications in the field of public administration and administration is inextricably linked with: the formation of subject-subject relations between government and citizens, communities and civil society institutions; formation of friendly relations between the government and the public, understanding of its expectations and coordination of efforts to implement them; the development of control over the authorities by civil society.

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# 7. State regulation is an important factor in improving the efficiency of functioning of the fruit and vegetable market

To stimulate the development of the regional market of fruit and vegetable products, the promotion of its effective functioning, it is necessary to apply positive practices to both the world agricultural market and a range of activities performed by the state and regional authorities.

Under the state regulation of the market of fruit and vegetable products, we understand a range of activities – the centralized influence of the state and regional authorities on the main elements of the market, such as supply and demand, conditions for the realization, the control of quality of fruit and vegetable products, infrastructure etc.

The concept of state regulation of the fruit and vegetable market is based on the fundamental principle of the market, which guarantees the possibility of the sale of all products in the sphere of the agro-industrial complex.

The state regulation of the development of economic potential of enterprises means that the state will create legal, organizational and economic conditions for their effective development (Fig. 1.).

Methods: administrative; financial and economic; regulatory and legal; financial; economic; organizational; scientific and methodological

<u>Forms:</u> foreign economic; budget; institutional; tax; investment; price; monetary

Mechanism of state regulation of fruit and vegetable enterprises

#### Ways:

certification; standardization; licensing; application of standards; lending and subsidies; approval of fixed prices Branches: rules of entry into the market of economic agents; establishment of a licensing system for certain activities; accumulation and use of funds and material values of business entities; timeliness of submission of financial statements of business entities; timely payment of taxes to the state budget; timely payment of loans; compliance with state pricing requirements; compliance with the rules of entrepreneurial activity; compliance with antitrust law; compliance with land legislation;

# Fig. 1. The mechanism of state regulation of fruit and vegetable processing enterprises

Source: developed by the author

As for the fruit and vegetable industry, the mechanism of state regulation should be based primarily on adjusting prices in the market of fruit and vegetable products; state support for enterprises in taxation; preferential terms for lending; marketing consulting services. The task of public authorities is to stimulate the formation of a market system and sale of fruit and vegetables.

State regulation and regulation of the regional market of fruit and vegetable products are carried out in the following basic forms [112, 118]:

- legislative, which means the adoption of special legislation that ensures even conditions for competition and prevents the establishment of unreasonably high prices;
- tax and credit, which are based on the usage of taxes and loans to support the production of fruits and vegetables at the required level;
- subvention the state subsidies to agricultural producers of fruits and vegetables, which allow them to cover production costs.

Implementation of measures of state regulation in the regional market of fruit and vegetable products is necessary for [118, 119]:

- full provision of the population with quality fruit and vegetable products which correspond the scientific and medical nutrition standards;
- stimulating the growth of fruit and vegetable production (growth of supply in the regional market);
- stimulating the increase of economic efficiency of production and profitability of enterprises engaged in the production and processing of fruit and vegetable products;
- guarantees of a certain level of income, which provides agricultural producers with the opportunity to accumulate funds for expanded production;
  - protection of the domestic (regional) market from imports;
  - development of market infrastructure.

In the country and its agents, the direct influence on the markets of fruit and vegetable products occurs in [114-118]:

- regulation of prices and profits in the fruit and vegetable industry;
- direct commodity and procurement intervention of the state in the market;

### SCIENTIFIC AND PRACTICAL PRINCIPLES OF DEVELOPMENT OF TERRITORIAL COMMUNITIES IN THE CONDITIONS OF DECENTRALIZATION OF POWER

- direct participation of the state in the production and sale of fruits and vegetables;
- adoption of targeted state programs for the development of fruit and vegetable economy;
- product quality management through a system of standards, conditions and quality characteristics;
  - lending and taxation;
  - scientific support of the industry;
- legal and methodological support of state regulation in the market of fruit and vegetable products.

Regulated prices are set administratively - by the government, by decisions of relevant regional authorities. Price regulation also means the establishment of a marginal level of profitability in the field of processing, procurement and trade in order to protect both consumers and agricultural producers of fruits and vegetables.

To stabilize the market for fruits and vegetables, the state carries out procurement and commodity interventions. Direct procurement and commodity interventions are carried out by the state through a system of procurement organizations (state corporations, joint stock companies, firms and others). Their activities are under the direct control of the state.

Procurement interventions are a means of supporting agricultural producers when they are unable to sell their products due to reduced demand for them. Purchasing interventions are also carried out in cases where prices for fruit and vegetables are lower than the minimum. If there is a shortage of fruit and vegetables on the market and prices rise above the maximum level, the state agents organize the sale of products from state reserves, i.e. carry out commodity interventions in the market. In this case, the reserve state fund can be replenished from the following main sources [113]:

- procurement for state needs at guaranteed purchase prices for fruit and vegetable products;
  - purchase in wholesale markets;

- purchase abroad (those types of fruits and vegetables that are in demand in the market, but not produced in the country).

Along with procurement and commodity interventions, one of the forms of regulating the market of fruit and vegetable products and supporting agricultural producers is the state's participation in mortgage transactions with fruit and vegetable products.

The subject of the pledge can be both already produced fruit and vegetable products and products of the future harvest. The state's participation in the pledge of fruit and vegetable products, raw materials implies the allocation of budgetary resources; lending; allocation of budget allocations or crediting necessary to compensate for the costs of preservation and processing of fruit and vegetable products, raw materials purchased by the state.

Pledge of agricultural products, raw materials may be suspended at the initiative of the mortgagor with the fulfillment of the obligation secured by the pledge or the acquisition in the prescribed manner in the ownership of the state pledged agricultural products, raw materials.

Pledged products and raw materials that have become the property of the state are used for state commodity interventions, the formation of state food funds for other purposes.

Direct participation in the production of fruits and vegetables is carried out through state enterprises or enterprises with the participation of the state.

Quality management of fruit and vegetable products is performed as per standards depending on the final purpose of the product (consumption in fresh or processed form), which are developed in accordance with the appropriate methods.

Legal and methodological support of the system of state regulation of the regional market of fruit and vegetable products requires the following measures:

- development and formation of the system of state regulation of the regional agricultural market in general, as well as its main segments (fruit and vegetable market in particular);

- methodology and recommendation development for the calculation of indicators used in the system of state regulation.

The clear division of responsibilities between the state and domestic producers, as well as certain state powers should become a necessary condition for the preparation of laws, legislative acts and other documents regulating the market of fruit and vegetable products. It is necessary to determine the source of funding, as well as the use of allocated funds for all the developed and implemented measures.

In the period of transition to a market economy, when the planning of all branches of agro-industrial production is not being done by the state, the most effective tool for formation of market structures and mechanisms for their regulation are targeted comprehensive programs covering not only direct production but also other branches of agro-industrial production in the region as well as various relations between them.

The program for the formation and development of the food market of both Ukraine and its separate region should contain measures to create the necessary level of supply (production) of agricultural products, measures to create a market infrastructure, to maintain the profitability of agricultural producers at the level necessary for expanded production, the level of guaranteed prices and other organizational and economic activities, the implementation of which is necessary for the organization of the normal functioning of the food market. The program also includes the volumes of state budget funding, various benefits and incentives provided to program participants.

Targeted and integrated programs link most areas of state regulation into a single system, but at the same time they do not exclude the independent use of other levers of state regulation, such as price, financial and credit policy, taxes, etc. Target comprehensive programs are accepted for a limited period of 3-5 years.

Alongside with comprehensive programs that cover all agriculture, development programs can be adopted for its specific branches and spheres.

In 2011, the Cabinet of Ministers of Ukraine approved the Order "On Approval of the Concept of Vegetable and Processing Industry Development" dated October 31, 2011 № 1120, the main provisions of which formed the basis of the Strategy for

Agricultural Development of Ukraine until 2020 and the Development Program agricultural sector of Ukraine's economy until 2020. The purpose of the concept was to increase the production of high quality vegetable products, provide vegetable products per capita in quantities that correspond to certain scientifically based consumption norms, and develop market infrastructure related to the supply of such products.

In Vinnytsia Oblast, the Vinnytsia Oblast Council № 40 of 11 February 2015 adopted the Program for the Development of Private Peasant Farms, Rural Farming Movement and Advice for 2016–2020. The purpose of this program was to provide appropriate and stable conditions for supporting the development of agricultural service cooperatives, private peasant and farm enterprises as an important socioeconomic institution for improving the efficiency of agricultural production, creating additional jobs, actively developing rural areas and improving the level and quality of life of the rural population as a whole. The objectives of the Program were, among others, to ensure the annual increase of production of private farms and agricultural holdings by 2020: potatoes – by 5.0%, vegetables – by 5.0%, sugar beets – by 5.0%, fruits and berries – by 6.0% against the level achieved in 2015.

The main problem of private peasant and agricultural holdings, defined in the Program, is the sale of agricultural products they produce, ensuring its quality in accordance with current standards, the introduction of small mechanization, warehouses and more.

According to the adopted Program, the system of state regulation of the supply of fruit and vegetables in the regional food market should be aimed at achieving the priority goals [120]:

- ensuring stable economic and social conditions for the development of the agricultural market of fruit and vegetable products;
  - formation of regional food funds;
  - protection of the regional market from the foreign market (imports);
  - integration of market space;
  - reduction of negative impact on the environment.

To achieve the goals set, state intervention in the fruit and vegetable market should be carried out in the following main areas:

- state guarantees for the purchase of all products presented by agricultural producers on the market;
  - introduction of a system of regulated prices for fruits and vegetables;
  - state subsidies for certain types of fruits and vegetables;
- state subsidies for the purchase of material and technical resources necessary for the proper functioning of the market of fruit and vegetable products;
  - preferential lending and preferential taxation;
- financing of scientific programs on the problems of selection, seed production, improvement of technologies of production, processing and preservation of fruits and vegetables.

According to the Program of economic and social development of Vinnytsia region, in 2019 a number of international technical assistance projects were implemented, where the regional state administration is the beneficiary, namely:

1. Project "Energy Efficient Hnivan - Energy Policy for Sustainable Development of town Hnivan". The project is funded by the European Union under the initiative and program "The Covenant of Mayors – Demonstration Projects" and is implemented by the Hnivan Town Council in partnership with the public organization "Euroregion" Dniester ". The total budget is 970 913 euros. The project, among other things, defines the tasks of mayors to reduce CO2 emissions in the atmosphere. The results of the project are in line with the Sustainable Development Goals of Ukraine, which were presented on 15 September 2017 by the Government of Ukraine in the National Report "Sustainable Development Goals: Ukraine", which defines baseline indicators for achieving sustainable development of agriculture; ensuring a healthy lifestyle and promoting well-being for all at all ages; promoting sustainable, inclusive and sustainable economic growth, full and productive employment and decent work for all; sustainable infrastructure. promoting inclusive and creating sustainable industrialization and innovation; ensuring the transition to rational models of consumption and production.

- 2. The Rural Tourism Project is the right step to improve cross-border Cooperation between Soroca district (Republic of Moldova) and Yampil district (Ukraine, Vinnytsia Region), co-financed by the European Union through the Moldova-Ukraine Eastern Partnership Territorial Cooperation Program. One of the important stages of the project was the restoration of the museum of wine and winemaking, which is important in maintaining the culture and traditions of fruit and vegetable growing in Yampil district.

  3. Project "Yablunevyi Shlyakh Cluster". According to the pilot project of the Initiative "Mayors for the Economic Growth", the main goal is to increase the added value of the regional brand "Podilske Yabluko" by creating the Yablunevyi Shlyakh cluster to promote Vinnytsia Oblast as an "apple paradise" in Ukraine based in Severinivska and Bar united communities. The project is implemented in Severin and Bar communities, performing the following tasks:
- 1) Creation of tourist facilities within the cluster "Yablunevyi Shlyakh", development of infrastructure in the sector of production, education and rehabilitation;
- 2) Establishing relationships with local businesses in order to create other clusters, as well as develop cooperation between companies to launch new, better quality and cheaper local products;
- 3) Promotion of the municipality among investors, support of local goods and services, raising the level.

During 2018-2019 in Vinnytsia Oblast on the territory of Bar and Severinivka united territorial communities the grant project of technical financial assistance of the European Union Cluster "Yablunevyi Shlyakh" is implemented, which aims to create an agritourism cluster to promote the regional product "Podilske Yabluko". Currently, within the framework of the project, repair works are being completed in the Severinovsky sanatorium, where a two-day cycle of treatment and rehabilitation procedures will be carried out. In order to organize the processing of grown fruit production on the basis of Severinovsky communal enterprise, repair works are underway. Restoration work is being carried out on Denis McCler's house and an all-year-round greenhouse with various varieties of apple and other fruit and berry crops near the Severinovsky sanatorium. In order to develop the tourist and health component

of the project, measures are being taken to develop recreational and sports-tourist routes, taking into account the architectural and natural monuments of the territory. In July 2019, a thematic festival was held at Severinivska OTG Fruktosmak Fest.

Trainings are being prepared, as well as documentation for the creation of an innovative training center in Severinivska OTG and the modernization of the Horticultural Museum in the village of Alexandrivka. Another group of measures aimed at normalizing economic relations in the market of fruit and vegetable products is related to the formation of a wholesale link in the food market [121]. Under modern conditions, the sphere of small retail trade is developing rapidly, removing huge financial resources from the normal circulation of money capital.

In the Concept of development of vegetable growing and processing industry from October 31, 2011 № 1120, it is determined that the efficiency of the vegetable growing and processing industry is largely constrained by the violation of partnerships between agricultural producers, processing and trade enterprises. Profitability in the chain "production - processing - sales" is achieved through unprofitable production and speculative pricing in the system of wholesale and retail trade. The "producer - wholesaler - retailer - consumer" chain is overloaded with a large number of business entities, which significantly increase the prices of vegetable products. Revenues of intermediaries exceed the incomes of producers by almost 1.5-2 times.

The system of wholesale food markets should cover all levels: state, regional, local. In each of them, wholesale markets will perform their functions. At the same time, it is extremely important that the agricultural producer acts everywhere on the market, as a rule, in organized associations, mostly of the cooperative type. In our opinion, in this case there will be more opportunities for agriculture to receive part of the profit from the sale of final products.

Taking into account the fact that these are markets for certain types of products, such as the market for fruits and vegetables, it is also advisable to create appropriate combinations: vegetables, fruits, processed products and others. This process must start from the foundations, from direct agricultural producers, requiring state support at both regional and state levels. At the same time, the participation of the state in financing

the creation of capital-intensive objects of the infrastructure of wholesale food markets is necessary: bases for the storage of production, as well as its transportation, information support.

One of the important problems in agricultural production today is also the relationship between the agriculture and the processing industry. The analysis showed that part of the agricultural producer in the final price of the product is unacceptably small and it does not reproduce the real contribution of all participants in the food chain "from the field to the store."

In the current situation, we see a way out in changing the forms and content of economic relations in the agro-industrial complex, the main participants of which are agricultural producers and processing enterprises. They are in a single technological chain, working on a single end product (result), so the harmony of their interests must be maintained. This task is difficult to solve without the active intervention of the state. There are many options, one of which is the creation of various associations and cooperatives on the basis of partial participation in order to pool resources and attract investment. The direct members of the association are enterprises that process fresh fruit and vegetable products, and horticultural and vegetable farms located nearby.

The basis of the association, which ensures the interests of all its members, may be an agreement on joint activities related to the purchase of fruits and vegetables, their processing, preservation and sale. The main point in the regulation of relations is the economically justified distribution of the share of the value of the final product among all participants. This distribution should be based on a methodology that takes into account the regulatory capital, material and labor intensity of production in each of its links [111].

Speaking about the state guarantees for the reception of all presented products, we note that this does not preclude the free entry of agricultural producers into the market, but only implies that if the producer for one reason or another refused to apply directly to market channels, the state guarantees acceptance of its products at guaranteed prices (purchase and mortgage). Thus, the guarantee of product acceptance gives confidence to agricultural producers in protecting them from bankruptcy,

### SCIENTIFIC AND PRACTICAL PRINCIPLES OF DEVELOPMENT OF TERRITORIAL COMMUNITIES IN THE CONDITIONS OF DECENTRALIZATION OF POWER

stimulates the growth of fruit and vegetable production, which ultimately contributes to the stabilization of the regional fruit and vegetable market.

The formation of a single market for fruits and vegetables on the basis of mutually beneficial economic conditions, taking into account the territorial division of labor requires:

- a single pricing strategy of state support for agricultural producers in the entire territory of the state;
- waiver of any restrictions on interregional exchange of products in the fruit and vegetable market;
- state programs to support agricultural producers, especially those that operate in adverse climatic conditions;
- formation of state and regional food funds.

The availability of state and regional food funds is necessary, above all, for the inventory accumulation and intervention in the market of fruits and vegetables. The state fund also provides supplies to certain areas of the country, such as the northern regions, where the production of fruits and vegetables is impossible or extremely limited due to harsh climatic conditions. Regional food funds currently perform similar supply functions.

Under modern conditions, the replenishment of state and regional funds should be based on the conclusion of contracts with agricultural producers for the supply of fruit and vegetables. However, the contract must be economically attractive for the producer. In this case the observance of such conditions is necessary at its conclusion:

- guaranteed purchase prices for fruit and vegetable products should ensure the conditions for expanded production for agricultural producers who are working actively;
- concessional loans and tax benefits, state support of agricultural producers through relevant programs, which specifically stipulate the conditions for the allocation of various grants, subsidies, subventions in compliance with the terms of the contract.

Note that similar requirements can be formulated for other sales channels available to government regulation.

Measures of state support and protection of agricultural producers should help to reduce production costs, redistribute profits from the sale of the final product, rather than increase retail prices for it. In this case, measures aimed at reducing the cost of material and technical resources, transport tariffs, the use of various forms of compensation become more effective. Such a mechanism will be effective in the first stage until certain relations are established between agriculture and other branches and spheres of agro-industrial production. However, this approach does not exclude, but on the contrary, provides for the use of guaranteed prices when purchasing products that are not sold at market prices, commodity procurement, interventions and other forms of regulation of the fruit and vegetable market.

State regulation of the fruit and vegetable market can be effective only if it is carried out on a legal basis. The solution of this task is to some extent facilitated by the adoption of laws and regulations, resolutions of the Cabinet of Ministers of Ukraine. Currently in Ukraine, public procurement in the agro-industrial complex is carried out on the basis of the Order of the Ministry of Economic Development, Trade and Agriculture of Ukraine "On approval of forms of documents in the field of public procurement" from 22.03.2016 № 490, Order of the Ministry of Economic Development, Trade and Agriculture of Ukraine "On approval of the Procedure for determining the subject of procurement" dated 17.03.2016 № 454, Law of Ukraine "On Public Procurement" dated 25.12.2015 № 922-VIII, Resolution of the Cabinet of Ministers of Ukraine "On prepayment of goods, works and services purchased for budget funds" from 23.04.2014 № 117.

All these and other law regulations create a minimal stabilizing basis in the market of fruit and vegetable products, but, unfortunately, the government is not yet fully complying with it.

At present, purchases of agricultural products, raw materials and food for governmental needs make up a small percentage of total production.

Another important law addressing this issue is the Law of Ukraine "On State Support of Agriculture of Ukraine" № 1877-IV, as amended by the Verkhovna Rada of 27 February 2002 (№ 465-IX). This Law defines the basics of state policy in the

budget, credit, pricing, regulatory and other areas of public administration to stimulate agricultural production and agricultural market development, as well as food security. The law distinguishes among the forms of influence, first of all, state guarantees of parity of prices for agricultural products and means of production and services for agriculture, sale of products at least at guaranteed prices, financing of measures to restore fertility, development of social infrastructure in rural areas, soft loans, partial compensation costs of fuel and energy resources, mineral fertilizers, feed, preferential taxation of agricultural producers. The Law pays special attention to state regulation of lending and subsidies to agricultural producers.

Analyzing the provisions of the Law "On state regulation of production and circulation of ethyl alcohol, cognac and fruit, alcoholic beverages and tobacco products" 481/95-VR in the edition of 27.02.2020, it is safe to say that this document concerns many complex and ambiguous issues in the agro-industrial complex of Ukraine, which arose during the transition to market relations. However, as we have already mentioned above, state regulation of the fruit and vegetable market should be carried out at both the state and regional levels. And therefore, it is very important that the state executive bodies, together with the executive authorities, take all possible actions to implement the main provisions of the adopted Laws.

Regional regulation of the fruit and vegetable market under modern conditions should involve all possible mechanisms to increase the real responsibility of public authorities for fulfilling obligations to regulate both the regional food market in general and its main segments, to perform internal market protection and quality control imported products, price regulation and timely public procurement, stimulating scientific and technological progress in agriculture, preventing the destruction of the material and technical base of agriculture and the accumulated over many decades the potential of agricultural science.

To overcome the above problems, it is advisable to pursue a policy of stimulating the development of agricultural cooperation in rural areas, which will create closed cycles for the production and processing of products and their sale.

Directions of diversification of households are shown in Fig 2.

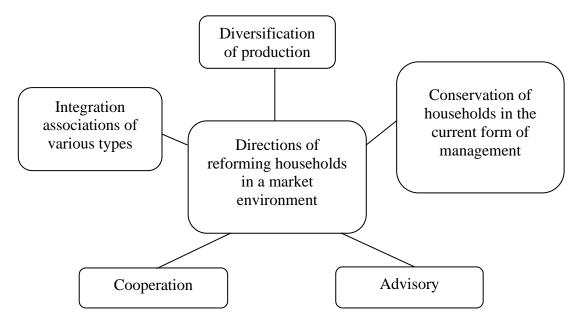


Fig. 2. Directions of organizational reform of households in market conditions Source: developed by the author

Of the reform directions declared above, it is advisable to determine the integration of economic activity, as it allows to increase the competitiveness of larger formations in rural areas within the general trend of integration of agricultural producers.

The development of private peasant will provide an impetus to both the development of the declining livestock industry and improve the development of rural areas.

Integration of holdings with agricultural enterprises into production cooperatives will allow:

- to provide peasant farms with access to land resources and on the basis of a higher culture of production to increase their own profitability;
- to create an opportunity to help peasant households with material resources (seeds, fertilizers, herbicides, etc.);
- to improve the sale of livestock products by peasant households at higher prices;
- lease the necessary means of mechanization of production to peasant households;

- participate in the organization of production and processing of agricultural products at enterprises located in rural areas.

Types of integration associations with the participation of households are presented in Table 1.

Table 1. **Options for integrating households into larger economic forms** 

Vertical cooperation	Households + Processing enterprises					
	Households + Farms + Processing enterprises					
	Households + Farms + Agricultural Enterprises + Processing Enterprises					
pu ion	Households + Processing Enterprises + Agroservice Enterprises + Trade					
l aı rat	organizations					
Organizational and economic integration	Households + Farms + Processing enterprises + Agricultural service					
	enterprises + Trade organizations					
	Households + Farms + Agricultural enterprises + Processing enterprises + Agricultural service enterprises + Trade organizations					

However, it should be noted that the implementation of integration often has difficult problems with the distribution of profits between participants and compliance with existing legislation. Typically, these relationships include: fairness between members of the association; determination of the system of mutual settlements, based on the contribution of each participant to the total profit of this integrated association; consolidation of contractual relations and inter-economic interaction between participants; issues of pricing and lending to members of the association.

The processes of integration and cooperation in rural areas are currently undergoing some difficulties. Of course, the Law of Ukraine "On Agricultural Cooperation" created the preconditions for the formation and development of cooperation in the agricultural sector of Ukraine, but did not create preferential conditions for the cooperative movement [Law of Ukraine "On Agricultural Cooperation", (Vidomosti of the Verkhovna Rada of Ukraine, № 39, pp. 261)].

Cooperation in action will promote the development of vertical links between agricultural producers and sub-sectors of further processing.

Forms of cooperation in the agricultural sector of the economy are presented in Figure 3.

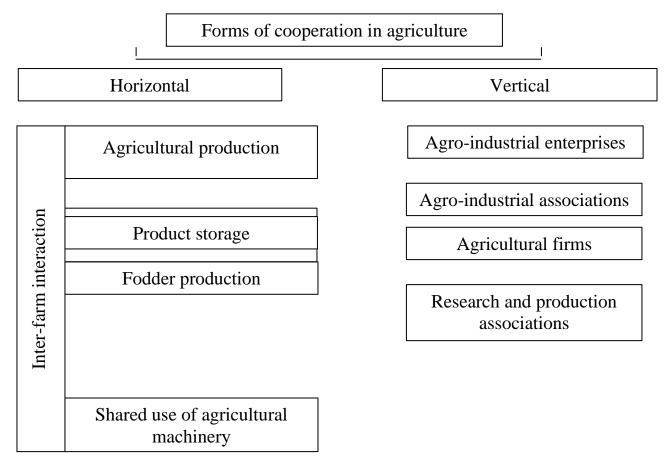


Fig. 3. Forms of cooperation in the agricultural sector of the economy

In the first case, when creating an inter-economic formation, a fundamentally new legal form emerges, which includes voluntary association of some financial, logistical and labour resources on a share basis of participants, while maintaining independence in the organizational and legal status of participants. According to the Commercial Code of Ukraine, such formations can currently be a business association. The economic relations of the participants of the cooperation are determined by the common property in the amount corresponding to the share of each of them in the jointly produced products and, accordingly, the profit received.

Another form of cooperation is an agreement on joint activities (company) without the formation of a legal entity for profit. The agreement on joint activity can be concluded by farms producing mainly one type of product (seeds or fodder), or by technological stages of its production (feeder lot operations or raising animals, etc.).

The economic relations between the participants of this type of cooperation can be based on the share distribution of profits resulting from their joint activities, depending on the costs of the final product.

The development of small business in rural areas aimed not only at the production of alternative fuels, but also the direct processing of agricultural raw materials can be a kind of "locomotive" for the development of Ukraine's economy and its transition from raw materials to processing.

It is also advisable to develop a cooperative movement in rural areas to stimulate programs for the development of agricultural service cooperatives (hereinafter - ASC). The main tasks of ASC development are the following:

- increase the efficiency of agricultural production by optimizing the costs of producers which are spent to purchase means of production, conducting certain technological operations, conducting marketing research, as well as increasing profits from sales;
- assistance in the formation of elements of the infrastructure of the agricultural market on a cooperative basis agricultural houses, procurement points, wholesale food and vegetable markets;
- creating a favourable competitive environment by supporting the development of alternative commercial structures;
- stimulating the processes of self-organization of agricultural producers of all forms of ownership and the rural population on cooperative principles for the organization and provision of agricultural work, joint use of property, provision of technological, social and other services;
- development and increase of efficiency of ASC, increase of incomes and standard of living of rural inhabitants;
  - creation of additional jobs in rural areas.

As a result of the project implementation, the following benefits are gained by the ASC members:

- costs for technological services are reduced, as they are provided at a price that does not exceed the cost;

- long-term preservation of household products is ensured and income from its sale is increased due to the use of seasonal price fluctuations;
  - household income from potato sales increases;
- an opportunity to attract additional foreign financial investments under the collective guarantee of ASC members;
- conditions are created for the formation of large batches of products, improving its quality indicators;
  - new jobs are created;
  - sustainable development of households is ensured.

The main goal is to provide appropriate and stable conditions to support the development of agricultural service cooperatives, private farms and farm holdings, as an important socio-economic institution to increase the efficiency of agricultural production in the region, create additional jobs in rural areas, active rural development and improve living standards. rural population in general.

Currently three areas remain a priority: lending to farms and private farms, partial reimbursement of purchased milking parlours and refrigeration equipment, and the creation and improvement of public pastures.

Particular attention should be paid to the development of small processing cooperatives in rural areas, which will allow small producers of agricultural products to create processing plants in order to sell their own products in local markets.

Table 2. Forecast of influences on the interests of stakeholders

Stakeholder	Key interest	Expected (posi key interest, dynamics of ch numerica	Explanation (why the implementatio n of the act will lead to the projected effects)
		Short-term impact (up to one year)	Medium-term impact (after a year)

### SCIENTIFIC AND PRACTICAL PRINCIPLES OF DEVELOPMENT OF TERRITORIAL COMMUNITIES IN THE CONDITIONS OF DECENTRALIZATION OF POWER

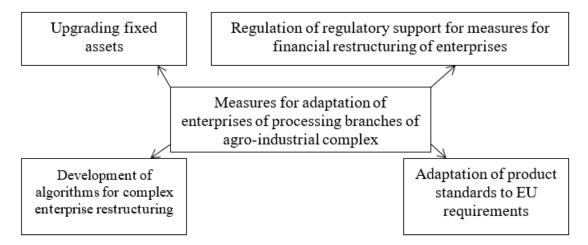
#### Continuation of table 2.

You are a medium- sized producer of agricultural, food and processing products that intend to export	Obtaining skills and competencies to participate in international trade	Positive (the creation of an informational Internet resource in 2019)	Positive (constant informing)	Raising awareness of agricultural producers about foreign markets
	Access to foreign markets	Positive	Positive (by 2026 their number will be up to 30% of the total number of exporters)	Diversificatio n of export entities
Producers of agricultural, food and processing products that export	Expansion of export markets	Positive (open markets of 10 key countries by 2020)	Positive (by 2026 open markets of 50 key countries for all product groups)	Opening markets of 50 countries
	Protection of interests in the foreign market	Positive (from 2018 schedule of trade missions and negotiation processes with selected countries)	Positive (2019-2020 change in the ratio between raw materials, products of primary processing and finished products in total exports of agricultural products, food and processing products from 55/34/11 to 39/40/21 at the end of 2026)	Initiation of trade missions, negotiations to improve market access
Exporters of low- quality products of agriculture, food and processing industries	Ability to export low-quality products	Negative	Negative	Development and implementatio n of mechanisms of responsibility for the supply of low-quality products of agriculture, food and processing industries

The set of measures to adapt enterprises of processing branches in the agroindustrial complex to modern realities should be aimed at:

- renewal of fixed assets of enterprises;
- regulation of regulatory support for measures of financial restructuring of enterprises and state support;

- development of algorithms for complex enterprise restructuring;
- adaptation of product standards to EU requirements;
- conducting state support for the creation of small processing enterprises of the service type (*Fig. 4*).



 $Fig. \ 4.$  Measures for adaptation of enterprises of processing branches of agroindustrial complex

Renovation of fixed assets of processing enterprises should be carried out through the development of state support programs and soft loans, which will increase the competitiveness of products and reduce its cost. 10.46299/979-8-88680-820-9.8

## 8. Development of territorial communities as the main purpose of reforming local government: issues of planning and the "green" course

One of the biggest problems of modern Ukrainian society is the development of rural areas of Ukraine, characterized by significant differences in their levels of socio-economic development, inconsistency of a number of laws and regulations, not clearly defined national strategy. This necessitates the search for and formation of effective mechanisms for the functioning and development of rural areas of Ukraine. Currently, one of the main causes of the crisis in the Ukrainian countryside is the loss of state control over the processes of its socio-economic development. The most important prerequisite for overcoming the crisis is the creation of an effective system of state regulation in the agricultural sector of Ukraine. Sustainable rural development is seen as development that generates economic growth and equitably distributes its results. It is a development that gives priority to the development of an integrated system of values, addressed equally to every citizen, empowering him and ensuring participation in decision-making that affects his life.

The mechanism of state regulation of the functioning and development of rural areas should be considered as a set of types and methods of action of the subject of regulation, based on basic principles and functions, providing using certain forms, methods and ways to achieve goals and resolve contradictions. Socio-economic functions of the state determine the directions of its activities, tasks and goals, and the mechanism of state regulation provides ways to implement them.

The transition to sustainable socio-economic development must begin, first of all, at the level of state power. Factors related to the general political, macroeconomic and social strategy of the state have a certain weight. Effective management of socio-economic development of rural areas is possible with coordinated management at the state, regional and local levels.

The reform of society in the Ukrainian state led to the breakdown of basic political and social structures and relations, which inevitably led to the complication of human living conditions in all spheres, including rural. The high urgency of the

problem of rural development is due, on the one hand, the growing crisis of rural life, the tendency of the rural population to impoverishment, rising rural unemployment, ineffective state measures to solve rural problems, and on the other hand – growing demand for objective benefits rural life among urban residents.

Implementing an effective policy aimed at solving the problems of rural development is one of the high priority national tasks, as it allows achieving modern world socio-economic standards of society.

The organization of local self-government through the formation of territorial communities is enshrined in the Constitution of Ukraine, which defines the territorial community as the primary subject of local self-government. This factor necessitates a more in-depth scientific study of the implementation of the functions and powers of the territorial community in the modern conditions of state formation, and prospects for further development of the territorial community as such an entity.

Rural communities are self-organized rural residents, who share a common living space, united by the desire, willingness and real action to improve their economic, social and environmental situation, who created a public organization and identified a leader among its members [123].

The concept of rural community is based on interaction at the local level. This interaction is the basis of a theory that focuses on the ways in which people are aware of common needs and take collective action to meet those needs.

In terms of such interaction, we see community development as a dynamic process to which various social groups are directly related. In addition, there are a number of effective informal groups in rural areas through which people achieve their interests and goals. Building on these informal groups and connecting them is a key part of community development. However, this can only happen through purposeful interaction of members of the future community. At the same time, such interaction implies the establishment of a community as a comprehensive institutional environment that produces and meets the common interests and needs of rural residents.

Ukrainian scientists O. Borodin and I. Prokopa propose to consider rural

development on the basis of communities as a model in which purposeful change of all major factors of rural development is planned, carried out and controlled by communities themselves with the assistance of the state [124].

Indeed, community-assisted rural development involves activities that enable rural residents to influence the social motivation to support the village and raise awareness of local societal needs, as well as help the village overcome social exclusion and thus gain free access to information and services.

Such an understanding of the role of rural communities is a powerful incentive to review the functions of public administration to support rural development through the following ways: to increase rural communities' confidence in government initiatives, focus management efforts on coordinating these processes, as well as to establish such relations between the state and the rural community, which would not be limited to the simple provision of additional services to rural residents [125].

Active rural development requires strong and viable rural communities that use fruitful local assets in order to improve the well-being of their fellow villagers and combine them with the external capabilities of partners, including the state.

A powerful driving force of rural development is the initiation of certain decisions by the community that directly affect its livelihoods and economic activities. It should be emphasized that the participation of community members in the development process should not be formal, but real, moreover – effective, which can be achieved through self-organization of community members.

Local self-government of the Ukrainian countryside should be based both on strong rural communities and the ascending principle. Given the active development of the village by creating rural communities, it is possible to self-organize the villagers, united by a common living space (because they usually live within one village), common aspirations, and most importantly readiness and real action to improve economic, social and ecological situation of the native village. Therefore, in this case, the peasants create their own so-called group of local interaction and choose a leader among them who heads it [126].

The goal of rural development with the help of rural communities is its viability,

which is directly proportional to two aspects of its development.

First, the viability of the village depends on the extent to which rural communities can maintain local infrastructure at the appropriate level, have access to a wide range of services, and work to revitalize entrepreneurship, intensify economic opportunities and shape regulatory policies that contributes to the final results.

Secondly, the viability of rural communities depends on the villagers themselves, who must understand and realize their assets, effectively develop networks, work on local cooperation, develop motivation among fellow villagers and cultivate enthusiasm for the development of their native village.

It should also be emphasized that in the world theory of rural development, these two interrelated aspects are separate concepts that can be formulated in Ukrainian as "community development" and "community development". Thus, the term "community development" refers to changes related to the development of local business, entrepreneurship or other economic structures. From this point of view, the rural community should be considered as an economic environment that promotes the active activities of rural residents. At the same time, in terms of effectiveness, the term "community development" always has concrete results, and their receipt, respectively, indicates the success and the end result of development [127].

It should be noted that the viability of the rural community as a structural unit of rural development depends on both tangible and intangible factors of development. The point is that, first, adequate infrastructure is needed to support the economic activities and life of the community itself.

Second, the determinants that significantly influence the formation of a healthy rural community include new entrepreneurial initiatives, community access to multichannel financing, improving the efficiency of current agricultural production, and the creation of new industrial enterprises by the community.

Third, a well-thought-out public policy of the state can and should help rural areas to become economically competitive with a fair social position and unshakable principles of environmental responsibility.

Fourth, the provision of services in rural communities enables the local economy

and social system to function fully, while maintaining a high level of employment of the rural population and the quality of life of rural residents [128].

However, it should be noted that development in rural communities depends on these five less visible but no less important components, including community ownership, local leadership, collective action, awareness of opportunities and motivation. Experience has shown that the real success of rural communities, accompanied by rural employment and well-developed infrastructure, is often reflected in changes in people's attitudes, including their different views of pressing rural issues, significant improvements in social networks, in mobilizing existing knowledge and using community assets in new ways and methods.

These so-called less important aspects of rural life are both their means and their goals of development. After all, the process of rural community development mainly includes a process – a series of decisions and actions that not only improve the economic condition of the community, but also strengthen its functional strength. It is through their collective actions, participation and contacts that the rural community acquires a new life: it becomes more active and active, organizationally more cohesive, able to initiate new changes, with more effective networks and highly professional knowledge, developed leadership and enthusiasm.

Thus, the community arises not in a natural way; it is purposefully constructed by the local community through a process of balanced, planned and interdependent actions, expression of common interests of different segments of local society. Arbitrary functioning of territorial communities of the settlement network without a sense of connection and interaction of the local population, without laborious efforts aimed at improving the social and economic well-being of people does not ensure the formation of an effective community [129].

Based on scientific research [130, 131], it is possible to identify three main substantive blocks of public policy on rural development with the help of rural communities: political and legal, socio-economic and socio-cultural. These features will determine the content of rural development through the formation of communities, giving the opportunity to identify relevant political, legal, socio-economic and socio-

cultural components, each of which is due to different factors, analysis of which allows selecting the necessary approaches to rural development communities.

Political and legal features of community-based rural development indicate the ability to perform a self-governing function within a certain political system and the current legal field, i.e. to form and implement managerial influences on certain rural phenomena and processes to address local issues in general. The key features within this bloc are the political legal personality of the rural territorial community and its socio-political activity. The first of these signs is formed under the influence of external factors, and the second – internal. The development of the village with the help of communities within this component requires, first of all, the optimization of the powers of local self-government in the national system of public administration in general; secondly, the rural territorial community in the system of local self-government in Ukraine should acquire not a formal but a real subjectivity; thirdly, the rural territorial community itself must be active in exercising its self-governing powers, while strictly adhering to the current legal framework.

The key to community development in this direction, on the one hand, should be real steps of public policy to improve information, legal and organizational support of the territorial community, and on the other – the internal desire of the rural community to receive such support and participate directly in self-government processes.

Socio-economic signs of rural development with the help of communities indicate the ability within a particular socio-economic system to ensure their own livelihoods, influencing the phenomena and processes that determine and ensure the production, distribution, exchange and consumption of economic products. The issues of observance of the principle of justice in the distribution and consumption of common goods are also relevant. This should also be facilitated by improving the informational, legal and organizational support of the direct process of rural development with the help of rural communities. The managerial activity of the rural territorial community should extend to all stages of the life cycle of the municipal economic product: from the creation of collective goods to control over their use.

Socio-cultural features of rural development with the help of rural communities

reveal certain opportunities within this system due to values, traditions, norms, rules and customs that have developed over the centuries, provide influences to achieve: the integrity of the rural community as a social entity; coordinated social interaction between citizens – members of the rural territorial community; instilling these values, traditions, norms, rules, customs in future generations.

In this regard, rural development with the help of rural communities should be aimed primarily at establishing a culture where, under the influence of values, traditions, norms, rules, customs acceptable to members of the rural community, everyone would feel their belonging to this community, be able to actively interact with other members of the rural community in order to identify, defend and realize common interests through the use of local government mechanisms. In order to implement this direction of development, the need for effective information support of the rural development process with the help of rural communities is paramount (legal and organizational support plays a much smaller role here). It should be emphasized that the socio-cultural features and components of rural development with the help of rural communities significantly affect the formation and implementation of political, legal and socio-economic activities, being an effective internal factor in this development [132].

Thus, the harmonious development of the village with the help of rural communities can take place under conditions when the community will acquire the optimal characteristics of the subject within the political, legal, socio-economic and socio-cultural components. At the same time, the objects of influence of internal and external factors of such development should be considered certain features, the controlled change of which will require appropriate information, legal and organizational support of public policy in Ukraine.

Rural development with the help of rural communities should be considered in terms of three main blocks: political and legal, socio-economic and socio-cultural. In view of this, it is possible to consider the components of this development, in particular political and legal, which provides a legitimate basis for the subjectivity of the rural territorial community; socio-economic, which creates the material basis of life of the rural territorial community; socio-cultural, which forms the ideological and value basis of the functioning

of the rural territorial community as a social community. Each of the components is due to various factors, the analysis of which makes it possible to identify the necessary approaches in creating and implementing public policy for rural development with the help of rural communities in specific political, social, economic and cultural conditions.

A common feature of all components is the need to achieve the optimal communicative level of the rural community, which affects the degree of development of its characteristics such as socio-political and economic activity, local communications and social interaction of members of the rural community.

Today in Ukraine there is no doubt about the need and relevance of planning activities at the local level. In our country, as well as in other countries of the world, the strategic approach to planning of sustainable territorial development is actively developed and introduced. This is due to the advantages of this method for all major participants in this process (government, business structures, local community), namely:

- scientific and practical validity of socio-economic and organizational measures, the effectiveness of management decisions increases;
- the range of participants in the planning process is significantly expanded, their interests and needs are more fully taken into account;
- the planning process is more transparent for all business entities, creates opportunities to achieve common goals, pooling material and financial resources of entities of different forms of ownership, and as a result reduces the time to achieve the ultimate goals of the program, which is desirable for Ukrainian territories;
- there is an opportunity for local authorities and local governments to direct joint efforts of the community to solve urgent economic, social, environmental problems, to actively influence the stabilization of the situation in the socio-economic and sociopolitical spheres;
- the huge potential of territories is fully used to intensify economic transformations and develop the territorial community.

There is an active concentration of significant financial resources in the budget of the united territorial community, so there is a powerful resource that can have a significant impact on the socio-economic development of the united territorial community [133].

Currently, the functions implemented during the planning process are significantly changed; the very role of planning in the local government system is changing. It is increasingly becoming a tool to increase the competitiveness of territories and regions, a means of uniting the various actors of territorial development around new values and long-term priorities. Such intensification of planning activities, on the one hand, is a natural stage in the development of regions and individual territories, on the other hand, the regions' efforts to find adequate tools to help meet the challenges of today's globalized world, when various changes are accelerating significantly, including political, economic, social, technological, environmental, and so on. An additional dimension of globalization is the development of the information society, which generates many new activities that managers must consider for the purposes of sustainable local development.

Strategic planning covers a system of long-, medium- and short-term plans, projects and programs. However, the main semantic emphasis is on long-term goals and ways to achieve them.

Today, the local authorities are dealing with complex and threatening problems: extreme economic difficulties, underdeveloped infrastructure; lack of security in people and regional inequality; growing poverty, unemployment, loss of self-esteem and social exclusion; threat to biodiversity, lack of water resources and their pollution, soil degradation, air pollution, unsatisfactory means of solid, hazardous and toxic waste disposal, limited access to safe energy sources, etc. [134].

Most of these issues and challenges are closely linked, which reinforces the need for an integrated strategic approach to local development. That is why the main task of strategic planning is to ensure sustainable development of territories, the main principles of which are:

- focus on the needs and interests of people;
- consensus on the long-term goal (vision) of territorial development;
- comprehensiveness and integrity;
- focus on clear budget priorities;
- carrying out a comprehensive analysis of the state of development of the territorial community;

- mandatory monitoring and evaluation;
- availability of responsibility and leadership at the local level;
- the presence of an influential leading institution and a high willingness of the authorities to comply with their obligations;
  - development of existing mechanisms and strategies;
  - active and effective participation;
  - the link between the national and local levels.

Local development is characterized by a set of various spatial, economic, social, cultural, spiritual, environmental and other factors that must be taken into account in the implementation of spatial planning. That is why not one, but a number of planning documents are being developed on the territory, each of which has its own object, principles, purpose, but together they form a holistic system of local development planning.

Mandatory for development, the basic types of planning documents at the local level are:

- 1. Local development strategies.
- 2. Spatial programs (General plans of settlements).
- 3. Annual programs of socio-economic development and cultural development of the territory.

Strategies and annual local development programs are aimed at creating a favorable environment for the development of the business sector, attracting investment, meeting the social needs of the population, improving their living standards. Spatial programs (master plans) concern the development of the territory as an object of implementation of urban policy of local authorities. All types of documents are closely related to each other, help to address issues of improving the functioning of the territory, but at the same time differ from each other.

The development of a long-term strategic document is necessary to identify current trends and patterns of local development, the formation on this basis of scenarios for longterm socio-economic and environmental development, determining the stages and timing of achieving local priorities. To ensure the implementation of certain priority areas of the strategy, local target programs for the development of certain areas of economic activity are being developed and implemented, which should become an effective tool for implementing long-term local policy.

Spatial planning of the territory, in contrast to the strategic, has a narrower, specific, legally established content and is defined as the process of regulating the use of territories. Territory is an extremely important and limited resource; its effective use significantly affects social development. In this context, the master plan and the relevant urban planning documentation should become a mandatory structural element, the physical basis for the implementation of the local development strategy, which implies the need to closely link the latter with the provisions of the strategic plan.

Article 5 of the Law of Ukraine "On Regulation of Urban Development", adopted on February 17, 2011, explicitly states that development programs of regions and settlements, economic, social and cultural development programs must be consistent with urban documentation of the appropriate level [135].

Laws and other normative legal acts were developed under different conditions of socio-economic development of the country, so there is a need for their improvement and harmonization. In the context of forming a holistic system of local development planning, a very serious problem is that the requirements of spatial development documents are very rarely taken into account when developing socio-economic development programs of both strategic and short-term nature.

For example, no region of Ukraine in the process of preparing a regional strategy relied on the provisions of the General Plan of Ukraine, although it outlines priorities and conceptual solutions for planning and use of the country, development of industrial, social and engineering transport infrastructure, and identifies areas the development of which requires state support in order to ensure the effective use of areas of special economic, environmental, scientific, aesthetic value. This situation is observed despite the fact that the practical planning advisers emphasize that in order to make an informed final decision on strategic development priorities, the regional working group should conduct additional analysis of national strategies (regional, sectoral, etc.), the General Plan for regional planning, medium-term national, regional and sectoral forecasts and programs.

The transition requires systematic action to improve the local development planning system, which should result in:

- methodically worked out and procedurally fixed interrelation of planning documents (strategic, medium-term and operational, strategic and town-planning, target and complex) at all levels;
  - procedurally fixed connection of program and financial documents;
  - harmonization of principles and practices of regulating the planning process;
  - institutional support and increasing the transparency of the planning process;
- methodically developed and implemented in the system of monitoring and evaluation.

System activities will provide an opportunity to form a holistic mutually agreed system of local development planning. The local strategy should become the main document, which organizes the work on the development and adjustment of sectoral, socio-economic, financial programs, the Master Plan, and then the rules of land use and development.

The strategy identifies the main priorities of local development, the most important projects for the implementation of the stated ideas. The Master plan and town-planning documentation ensure the formation of the necessary land base in order for the strategic intentions to be realized.

Strategic priorities in the medium term take the form of integrated socio-economic and sectoral programs. Current activities and work to achieve medium-term goals are reflected in the annual socio-economic development programs, which are closely linked to the annual budget [136].

The most important reform has started in Ukraine, which concerns the change of administrative – territorial structure, powers, formation of resources and responsibility of local communities for their own development. According to the European Charter of Local Self-Government, which is part of Ukrainian legislation, local self-government is "the right and ability of local self-government bodies to manage a significant share of public affairs in the interests of the local population". Today, the vast majority of territorial communities of Ukraine, having the right to decide issues of local importance, are still

unable to implement them due to limited own funds and ambiguity of powers. Many issues of local importance are not properly addressed – schools, hospitals and other communal buildings are not maintained, landscaping, night street lighting, etc. are not provided, because there is no main thing – the ability to address local economic development issues [137].

On April 1, 2014, the Government approved the Concept of Reforming Local Self-Government and Territorial Organization of Power in Ukraine (CMU Order №333-r) and approved the Action Plan for its Implementation (CMU Order №591-r of June 18, 2014). The reform envisages the creation of capable communities with opportunities for self-sufficiency and self-development, i.e. communities that will be able (should have) to address local issues at their own expense [138].

The united communities are assigned a wider range of their own powers, primarily community development planning and economic development, investment attraction, entrepreneurship development, and, of course, budgeting, land management, building permits, development local infrastructure, provision of housing and communal services, maintenance of streets and roads in the community, organization of passenger traffic and public safety by the municipal police, fire protection.

This will allow local councils of united communities to provide additional jobs for their residents in the near future and significantly improve the condition of settlements, and hence the quality of life.

In terms of deep decentralization of European-style power, the reform should be based on institutional changes that include, in particular:

- the abolition of district state administrations and the transfer of their functions and powers to the relevant district councils;
- transfer of functions and powers of regional state administrations in the field of socio-economic and cultural development of territories to the relevant regional councils;
- formation of executive bodies of regional, district councils on the basis of structural subdivisions of relevant local state administrations:
- clear division of competences and powers between local self-government bodies and executive bodies, as well as local self-government bodies of different territorial levels;

- increasing the role of self-organization of the population in addressing issues related to the provision of public services to the population [136].

Thus, local economic development planning in Ukraine, as well as in the developed world, has the opportunity to become a direct competence of territorial communities. The experience of America and Europe (Canada, USA, Germany, Czech Republic, Poland) shows that successful communities are those that successfully develop their own internal capacity – improve internal conditions and create those factors of competitive advantage that help attract more productive investment, develop business, retain existing businesses and support job creation. And all this is for the sake of economic development and improving the quality of people's lives.

The pyramid of development planning goals and relationships is shown in Figure 1.

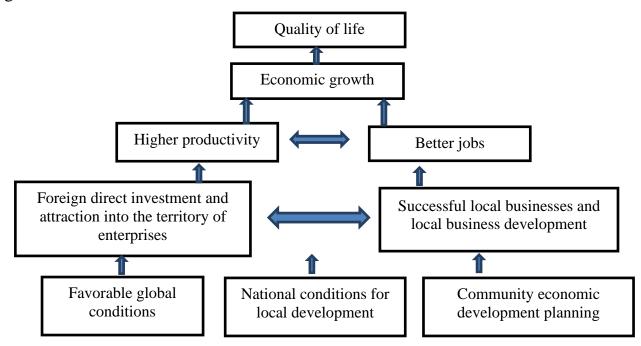


Fig. 1. The pyramid of goals and connections in the development planning process Source: systematized by the author

In a global world, as discussed earlier, the capacity of communities is at the heart of economic development and linked to their competitiveness. Therefore, the potential of community development (city, territory, and then the region) is determined by its competitiveness, which, in turn, is associated with creating an attractive environment for business development, the ability of communities to attract and develop enterprises that

best ensure productivity growth labor, creating better jobs and high added value.

In fact, when we talk about the unity and cohesion of the state, which consists of regions, we can see that the issue of unity and cohesion of the territory is inherent in the region. The Ukrainian region is a small European country in size.

There are territories in every Ukrainian region, first of all cities, which are more developed and have much better living conditions than peripheral remote rural areas. That is why at the regional level it is very important to plan the development of the region in such a way as to equalize the economic capacity of weaker regions. At the same time, it is important to organize such equalization not by providing additional subsidies to weak areas, but by creating new growth centers in weak areas, again using the competitive advantages of such areas.

Regional development today has been dominated by a focus on decentralization and partnerships between its various levels and branches, as well as partnerships with the private and non-governmental sectors, rather than direct subsidies to weak areas.

Today in Ukraine is formed basically all the necessary legislation for regional development, which meets the best European standards. We have a basic law, we have a state strategy for regional development, which is very close in structure to similar documents of the member states of the European Union. We have opportunities to finance regional development at the expense of the State Fund for Regional Development (SFRD), which is created as a budget program of the State Budget in accordance with Article 24-1 of the Budget Code of Ukraine.

In fact, since 2015, the state regional policy in Ukraine has acquired European features and received competitive formula funding from the State Budget of Ukraine. The oblasts were given the opportunity to really plan and finance their own development

Now all Ukrainian regions have developed strategies until 2020 or 2025. Unfortunately, the realities of life show that not all managers in the regions can effectively use the new tools of regional development.

Along with the reform of state regional policy, which has completed the first stage – the formation of the regulatory framework, Ukraine is experiencing widespread decentralization. As a result of the budget decentralization of the city of regional

significance and the united territorial communities received significant additional resources for their development.

Decentralization enables local communities and regions to have a greater impact on their development and the well-being of the population. At the same time, decentralization carries risks in the institutional capacity of the local management elite to ensure development and not to become constrained.

In order to effectively use the funds of the State Fund for Regional Development, the united territorial communities need, first of all, to understand where these funds should be directed. After all, it is very important for the community that the funds from the State Fund for Rural Development be used most efficiently and thus create new opportunities to increase local budget revenues in the future.

Successful are those regions and communities that successfully develop their own internal capacity and improve the internal conditions that affect and support investment. In order for funds to be used for growth, it is necessary to engage in strategic planning for the development of a united territorial community.

The transition to sustainable socio-economic development must, first of all, begin at the level of state power. Factors related to the general political, macroeconomic and social strategy of the state have some attention. Effective management of socio-economic development of rural areas is possible with coordinated management at the state, regional and local levels. Program-targeted management of rural development at the state level is based on the improvement of inter-budgetary relations through the technology of budgetary and fiscal powers, which take into account the interests of local and regional development.

At the regional level – monitoring the socio-economic development of rural areas, the implementation of targeted state support for rural development by regional authorities, including through the use of transfers and grants.

At the local level – development and implementation of master plans for rural development, taking into account the long-term interests of the local community.

In modern conditions, the state is unable to support agricultural production and finance the social sphere, so budget funds should be directed primarily to science-intensive

technologies, services, education, development of other non-agricultural activities in rural areas.

An effective resource for rural development can be social partnership, as a constructive interaction of representatives of all three sectors of any society (government, commercial and non-commercial), carried out within the current legislation and aimed at solving socially important problems.

The development of rural areas in the future will be determined by how the further delineation of rights and responsibilities between the two levels of government: state and local, as the functions of village councils will be consistent with the financial capacity for their implementation.

Sustainable development of rural areas can be described as a steady increase in positive social indicators (living standards, education, health, etc.) in full accordance with the economic and environmental development of rural areas. The transition to sustainable development is the provision of purposeful self-organization of society in the economic, social and environmental spheres. In this sense, the sustainable development of rural areas is characterized by economic efficiency, environmental security and social justice [139].

In order to develop a clear strategy for sustainable rural development, an appropriate concept is proposed, which aims to identify key issues of rural development in the medium term and prepare a set of measures of economic, legal and administrative nature.

The concept of sustainable rural development is based on the following principles:

- preservation of traditional rural areas;
- integrated rural development (coordinated implementation of production, socioeconomic, demographic, educational, medical, environmental and recreational functions);
- deepening of rural-urban ties, integration into a single general economic system, creation of economic structures with combined functions (rural-urban structures), development of road transport communications, telephone communication, creation of unified social service systems, gradual agglomeration of urban and rural areas into a dynamically developing unity;
  - interaction of programs of sustainable development of rural areas with measures

of agri-food policy of the state for the near future, taking into account features of structural reorganization of agricultural production (the main sphere of employment of the rural population);

- development of social partnership between the state, communities, local businesses and the rural population;
- economic and territorial accessibility of social services and social infrastructure facilities for all groups of the rural population;
- maximum involvement in economic turnover and increase the efficiency of use of natural material and human resources of rural areas on the basis of increasing the efficiency of institutional transformations and strengthening the motivational mechanisms of development;
- combination of state support measures with mobilization of local resources of rural communities;
- democratization of rural communities, increasing public participation in decision-making related to the development of production, planning and development of settlements, other aspects of rural society through the development of collective bargaining, local government, collective and public organizations (consumer, industrial, credit cooperation, etc.);
- environmentally friendly approach and careful attitude to non-renewable natural resources in the development and implementation of livelihood mechanisms for rural residents.

State regulation is the main direction of ensuring the sustainable development of the Ukrainian countryside and a means of ensuring the balance of Ukraine's economy. Methods, forms and scales of state regulation are determined by the nature and severity of economic, social, environmental and other problems in specific conditions of place and time. State regulation of the modern domestic economy involves its transfer to an intensive path of development with a consistent reduction in spending on extensive growth and ensuring investment in intensifying the efficient use and renewal of existing economic potential.

Ukraine's conclusion of the Association Agreement with the European Union has

been a key factor in launching systemic reforms in public administration mechanisms. Decentralization of power and resources has given impetus to the development of local self-government and local communities.

However, such development is not characterized by the stability of processes. As a result, some communities are barely making ends meet. Others receive large passive incomes (in the sense that they are not caused by active community action, but by redistribution of cash flows, such as excise taxes, land fees, etc.), which do not encourage active fundraising. And many communities have not decided on "voluntary association".

Naturally, most of these communities do not have much demand for the development and implementation of quality strategic models. Often such a request is stimulated from outside. European strategizing practices are disseminated through international technical assistance programs (e.g. U-LEAD with Europe, Decentralization Brings Better Results and Efficiency: DOBRE, etc.). But despite the availability of sufficient methodological tools to build effective and efficient systems of strategic and project management, most rural communities still do not have not only quality development strategies, but also a public demand for quality strategy. The same applies to socio-economic development programs, which are often inconsistent with each other.

Collaborating communities are not always aware of the place of developed development strategies in the system of strategic planning and changes in the community management system that need to be implemented to make these strategies an integral part of decision-making mechanisms.

Therefore, it is easy to see that the expected results of many strategies developed in 2015 and completed in 2020 were practically not achieved. And as the results of communication with residents of different communities show, few people know about the existence of such documents at all, and those who do, do not consider them effective tools in ensuring community development.

As a result, it was found that there is no relationship between the time of creation of rural communities and the availability of strategic documents. That is, almost half of the communities formed 4-5 years ago operate without development strategies, and accordingly without a clear vision and public understanding of ways to achieve it.

There are objective factors related to the human resources of the newly created local governments, the lack of practice and culture of strategy and project management. But there are other factors that no less affect the willingness of local authorities to develop strategies, and most importantly – direct resources to achieve strategic goals. These include the institutional basis for strategic planning.

The basis of planning the socio-economic development of the community is the model of program-targeted management. Articles 26, 27, and 64 of the Law "On Local Self-Government in Ukraine" include the development of socio-economic development programs by local self-government bodies, and state that local budget expenditures should be directed to their implementation. And in the first part of Article 10 of the Law of Ukraine "On Voluntary Association of Territorial Communities" provides that the state provides financial support for voluntary association of territorial communities and joining the united territorial communities by providing funds to the united territorial community in the form of subventions formation of appropriate infrastructure in accordance with the plan of socio-economic development of such a territorial community [140].

Despite good intentions, this mechanism does not fulfill its function at the state, regional or local levels. After all, it is almost impossible to find programs whose goals would be achieved. Moreover, no one is responsible (either politically or legally) for failing to meet program goals.

However, almost all rural communities develop socio-economic development programs. After all, they are needed to justify expenditures from local budgets. This leads to the fact that socio-economic development programs do not fulfill their main function – planning medium-term and long-term community development.

As there is no responsibility for non-implementation of programs (instead there is a responsibility for misuse of funds for activities not provided for in the programs), village councils write in them everything possible. That is why it is difficult to talk about some well-thought-out planning process. One confirmation of this opinion is that almost half of all programs are developed for only 1 year.

In the structure of strategic documents of community development, development strategies stand aside. The Law on Local Self-Government in Ukraine and the Law on

Voluntary Association of Territorial Communities do not mention such tools for community development planning at all. Mention of local community strategies is in paragraph 2 of Article 16 of the Law "On Principles of State Regional Policy", which establishes a mechanism for developing regional strategies, which states that city, town, village councils can develop and approve the National Strategy for Regional Development of Ukraine strategies for the development of cities, towns and villages.

The definition of the strategy of the united territorial community is given in the "Guidelines for the formation and implementation of forecast and program documents of socio-economic development of the united territorial community". However, the text of the document is only about how to develop programs of socio-economic development.

Therefore, the legal status of such strategies from the standpoint of local self-government remains unclear. As a result, development strategies are not considered mandatory strategic development documents. Despite the fact that the legal framework for rural development strategies is rather vague, we believe that this tool is a necessary and key element in the system of strategic community development.

A strategy is a visionary document that should answer questions. This document makes sense if the vision set out in it through the vision, strategic, operational goals and indicators of their achievement is understood and shared by the majority of the community. The strategy becomes a reference point on which all plans under such conditions and actions of local governments, businesses and various groups will be based. After all, it makes no sense to make any plans and start certain activities if it does not correspond to a stable strategic vision of the community.

For local governments, the strategy provides opportunities for systemic change in the community, which in the absence of strategic vision and understanding of its residents would lead to resistance. After all, people are more likely to suffer temporary hardships if they understand and believe in the benefits they will receive in the future.

On the other hand, the strategy protects the community and is a safeguard against local government decisions that run counter to strategic goals.

But all these benefits of having a strategy will only be possible if it is legitimate in the eyes of residents and perceived by them as part of their own future. And for this it is necessary to conduct effective communication with residents not only at the stage of strategy development, but also in the process of its implementation.

As any program is subject to resource constraints, the key competence of the local government will be the ability to balance the various parameters of projects in portfolios. Therefore, without the use of quality project management practices cannot do here. In general, to ensure sustainable development, these two tools of strategic planning and management (strategy and program) are an organic complement to each other. And the absence or poor use of at least one of them threatens any model of community development.

After all, a strategy without a quality program is a dream that may never come true. And a program without a clear strategy is a movement for the sake of movement. After all, it doesn't matter how fast we move if we don't know where we're going.

To this end, local communities are endowed with greater resources and the mobilization of their internal reserves is encouraged – land and investment-attractive areas that were used inefficiently, involve all segments of the population, including people with disabilities, to establish cooperation with business.

The answer to these challenges is medium- and long-term planning of united territorial communities. In this context, it is important not only (and not so much) the result (planning document), but the process of its creation with the participation of a wide range of stakeholders – representatives of different localities, different enterprises, institutions and organizations, different political views.

The main principles on which the forecasting and development of socio-economic development programs are based are scientific, integrity, independence, equality, objectivity, transparency.

Involving a wide range of citizens in the process of developing a strategic plan for the development of united territorial communities allows identifying and finding acceptable ways to solve community problems, to ensure dialogue between the public and government. At the same time, one of the main components of the planning process is the mandatory participation of all active and interested representatives of the community.

In order to clearly define the range of stakeholders and the conditions under which

they will agree to participate in the process of local development planning, we propose to use the "CLEAR" model (Table 1).

Table 1
The "CLEAR" model

Factors of participation	How it works	Political action of local authorities
Ability to participate	The personal resources that community members have and can offer (knowledge, information, public speaking skills, organizing events, etc.) are essential to enable them to participate.	Capacity building: specific support measures and targeted development of social capital
Desire to participate	Commitment to participation requires a sense of belonging to the community, a sense of trust and belonging to connections and communities, creates opportunities for people to collaborate together and work more effectively	Sense of community (community), involvement of citizens, social capital and citizenship
Creating opportunities for participation	Public infrastructure – organization of volunteer, community advisory groups, organizations and networks – creates (or blocks) opportunities for participation	Building public infrastructure to create groups and organizations that can guide and facilitate participation
Invitation to participate	Mobilize people to participate (in decision-making) and expect their contribution	Introduction of possible ways of public participation and their openness. Use of various incentives for development, sense of duty, continuity of participation, targeted invitations to participate
Consideration, feedback	People are willing to participate if they feel that they are being listened to (not necessarily agreeing, but it is clear that their views are being taken into account / considered)	The ability of the public policy system and staff to "respond" to needs, weigh different points of view, and provide feedback – it is important to explain how the decision was made and what the role of the individual or community was

Source: systematized by the author

The term CLEAR is formed by the first letters of the words:

 $C-Can\ do-ability\ to\ participate;$ 

L-Like to -desire to participate;

E – Enabled to – creating opportunities for participation;

A - Asked to - invitation to participate;

R – Responded to – consideration, feedback [141].

The strategy developed in this way reflects the interests of all citizens, and therefore is perceived by the community as "their own". The strategic plan created together with the community, regardless of the personal qualities of the leaders or the political situation, is aimed at improving living standards, strengthening local democracy, educating socially active citizens – patriots of their community.

Modern strategies for the development of local communities always include an environmental component. Ukraine does not stay away from the global challenges of humanity, in particular the problems of climate change and adaptation to these changes. The country is a party to the Paris Climate Agreement and has already expressed its intention to implement the principles of the European Green Course.

The European Green Course (EGC) is a comprehensive program of EU strategic decisions and actions aimed at achieving sustainable and effective development at all levels of the economy and society, as well as transforming Europe into the first climateneutral continent by 2050.

The main advantages of involvement in the EGC are the use of new mechanisms and the implementation of innovative ideas to improve urban space and improve environmental quality of life, attract green finance and investment, access to EU markets and more.

The key areas of implementation of the EGC, adopted by the European Commission in 2019, are climate change prevention and adaptation, biodiversity, zero pollution, industrial policy, sustainable nutrition and green agriculture, waste management, sustainable and smart mobility, energy and energy efficiency.

Part of the "green" course is, in particular, the concept of "green" energy transition in Ukraine. Energy production is a major source of anthropogenic greenhouse gas emissions in the world, and therefore the introduction of renewable energy sources (RES), energy efficiency and energy conservation should play a key role.

Table 2 shows the target values of indicators of available and clean energy in Ukraine for the period up to 2030.

Table 2
Target values of indicators of available and clean energy in Ukraine

Indicators	2015	2020	2025	2030
Electricity production, billion kWh	157.7	163.8	178.4	182.0
Technological costs of electricity in distribution networks,%	11.5	11.0	10.0	9.0
Heat losses in heating networks,%	20	18	14	12
Maximum share of imports of primary energy resources (excluding nuclear fuel) from one country (company) in the total volume of their supply (imports),%	40	<15	<12	<12
Share of one supplier in the nuclear fuel market,%	>95	< 70	<60	< 50
Share of energy produced from renewable sources in total final energy consumption,%	4.9	11.0	14.2	17.1
Energy intensity of GDP (primary energy consumption per unit of GDP), kg of oil equivalent per 1 US dollar purchasing power parity 2011	0.28	0.20	0.17	0.14

Source: [142]

Thus, by 2030, electricity production in Ukraine should increase to 182 billion kWh. At the same time, the technological costs of electricity in the distribution networks should be reduced to 9%, heat losses in the heating networks – up to 12%. The share of energy produced from renewable sources in total final energy consumption should reach 17.1%.

Further development of local communities must include energy efficiency measures, stimulating the creation of enterprises for the production of biofuels [143, 144].

We believe that the solution of energy efficiency problems will be facilitated by the administrative and territorial reform that is taking place in Ukraine, which is aimed at giving local communities greater financial independence, as well as more efficient use of resources, including energy. For the efficient use of energy resources, communities use a variety of energy efficient measures, including the installation of modern lighting, heating systems on alternative fuels, energy-saving windows and doors, insulation of facades and roofs and more. These measures can reduce energy consumption, resulting in significant savings in the local budget.

In conclusion, it is worth noting that Ukraine is currently undergoing reforms that are closely related to each other – reforms of decentralization of power and

administrative-territorial organization. The main task of the reforms was to form united territorial communities as the main link of the basic level, which would become capable, self-sufficient, receive resources for development of own potential and could provide quality services to their residents.

There is no doubt today about the need and relevance of planning activities at the local level in Ukraine. In our country, as well as in other countries of the world, the strategic approach to planning of sustainable territorial development is actively developed and introduced.

Obviously, local development is a process that does not happen by itself, it is carried out by someone using appropriate tools. Planning one's own development allows the local community to better understand its goals, understand its own competitive advantages, as well as the dangers and threats that may await it, promotes efficient and economical use of own and external resources, control over their use. This is especially important today as united territorial communities enter a new phase of their existence. They are responsible to their residents for creating a comfortable and safe living environment. This requires development – predictable and motivated.

The results of the reform should be evaluated not only through the administrative, financial or logistical achievements of the united territorial communities, but also through social changes within the community itself. Such changes can be manifested in the relationship between local authorities and the local community, the use of democratic leadership, the introduction of new practices of public involvement, increasing the activity of residents, transparent dialogue and partnership in local budget planning, quality public services and more.

Today, the "green" course of community development with the active development of alternative sources and the production and use of biofuels are very promising areas that meet European best practices.

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## 9. Features of the process of managing the grain subcomplex of the region in terms of local government reform

Economic growth of communities directly depends on the development of the agricultural sector. It is not just about income from land lease taxes, it is strategically important to develop business on this land.

Most territorial communities are rural areas or the main part of which is as follows. It is clear that agriculture there is usually the main niche in the local economy or has such potential.

According to the Association Agreement between Ukraine and the EU, the agricultural sector in Ukraine continues to undergo a comprehensive course of reforms aimed at, inter alia, sustainable rural development, increasing the competitiveness of agricultural production, improving the quality and safety of agricultural products and conserving natural resources. Strategies for the development of the agricultural sector should define the long-term goals of these reform processes. Thus, they represent an important basis for the development of short-term and medium-term decisions in the field of agricultural policy [145].

Vinnytsia region has one of the most powerful agro-industrial complex in the country, which is based on 841 agricultural enterprises, 1,893 farms, 274,4 thousand individual farms. There are 4 research stations in the region, the Institute of Feed and Agriculture of Podillya UAAS, Vinnytsia National Agrarian University.

The number of people employed in agriculture is 215 thousand people. The number of full-time employees in agriculture in 2018 is 29,1 thousand people, in 2019 – 30,3 thousand people. The region uses 2012 thousand hectares of agricultural land, of which 1730,5 thousand hectares of arable land, 48 thousand hectares of perennials, 48,8 thousand hectares of hayfields, 183,9 thousand hectares of pastures. In terms of the size of agricultural land, the region ranks 9th among the regions of Ukraine.

In recent years, there has been a tendency in the region's agriculture to increase the volume of agricultural products and transform agricultural production into a profitable and high-tech business [146]. The transformation processes taking place in the agro-industrial complex of Ukraine require the study and research of all areas of change in its structure, especially those industries and sectors that are responsible for the lion's share of agricultural revenues. A special place here is occupied by grain farming. Therefore, to solve the urgent problems of increasing the production of grain and products based on streamlining the organization of management, improving market infrastructure, logistics, cooperation and integration in the field of market relations, it is necessary to improve existing and develop new mechanisms for managing reproduction in this area.

The strategic task of development of the domestic grain economy of Ukraine should be to fully meet its own grain needs (taking into account its needs for livestock production) and increase export potential, preferably not in feed grain, but in processed products, livestock products or bioethanol, added value to the state, increase the number of jobs, get closer to solving social problems of rural communities.

Due to its specifics, sensitivity to external influences (weather conditions, seasonality, economic situation, world market conditions, grain production volumes in other countries), the grain subcomplex is organically instable. It is likely that absolute stability and efficiency of this industry will never be ensured, but the real problem is to reduce fluctuations in grain production, ensure stable operation of the flour, cereal, feed, pasta and bakery industries.

Therefore, the study of the formation and development of management mechanisms as such requires a number of issues related to the sectoral nature of grain production management, the specifics of sustainable development and competitiveness of the industry, the need for infrastructure for agricultural and processing enterprises in market conditions.

Building a management system is determined by the nature of the problems that need to be addressed. The task of the subject of management, including in the field of grain products, is to, knowing the objective laws, consciously, in strict accordance with them to influence the managed object. The effectiveness of management is determined by how well they understand and ensure the interaction of management activities and

objective laws of development of social production. Different aspects of management relations are interdependent and interact.

The general laws of management in the grain product sector include:

- proportionality, optimal ratio of system components;
- rhythmicity, continuity of movement of production assets in circulation and circulation;
  - the optimal ratio of centralization and decentralization;
  - optimal link management system.

The management of the grain subcomplex of the agro-industrial complex as a complex economic system must take into account the principle of hierarchical goals of its participants, as the goals of management entities of different levels may contradict each other. Thus, the desire to make extra profits from grain exports contradicts the task of providing the country's population with cheap food. The goals of business owners who seek to increase the capitalization of their enterprise or reduce the cost of production may be an obstacle to greening production that meets the interests of society as a whole.

As the main functions of the grain subcomplex, the completeness of which depends on the effectiveness of management, V.O. Burnukin proposes to highlight:

- providing the population with grain, flour, cereals, bakery, pasta, etc. grain processing products;
- providing the livestock industry with feed grain, grain waste, feed and by-products;
  - providing industrial enterprises with raw materials: grain and by-products;
- creation of a system of effective regulation of resource provision of enterprises of the subcomplex;
- formation of a mechanism for regulating the volume, range and quality of grain produced and products of its processing;
- development of tools for state regulation of the grain market and the formation of food funds;

- ensuring equal relations between the branches of production, storage and processing, ensuring the priority development of the grain sector of agriculture;
- coordination of credit, investment and insurance activities within the subcomplex, attracting monetary resources and control over their use;
- ensuring the protection of the subcomplex from the arbitrariness of monopolies and monopoly enterprises;
- creation of a system of legal and regulatory support for the functioning of the subcomplex [147].

In our opinion, it is impossible to fully agree with this position, because only part of the above functions can be attributed to the functions of the grain subcomplex. At the same time, the creation of systems of legal and regulatory support, development of tools for state regulation of the grain market, ensuring protection of the subcomplex from monopolies are functions of state management of the industry, not the functions of the grain subcomplex. Therefore, to consider as criteria for the effectiveness of the organizational and economic mechanism of management of the grain subcomplex at the macro level the completeness of its functions, which include:

- providing the population with grain, flour, cereals, bakery, pasta, etc. grain processing products at the level of scientifically sound standards;
- providing the livestock industry with feed grain, grain waste, feed and by-products;
  - providing industrial enterprises with raw materials: grain and by-products;
  - providing ecological living conditions for the population;
- ensuring food security of the state by creating a food reserve and reducing dependence on food imports;
  - ensuring the balanced development of the subcomplex on an innovative basis;
- on the basis of equal relations between the branches of the grain subcomplex and equalization of competition conditions of all market participants to ensure favorable conditions for sustainable development of all branches of agriculture.

Based on the above, we propose a hierarchical system of indicators for multilevel evaluation of the effectiveness of organizational and economic mechanism for

managing the grain subcomplex of agriculture at the micro, meso and macro levels can be considered on the basis of a hierarchical system of indicators (Fig. 1).

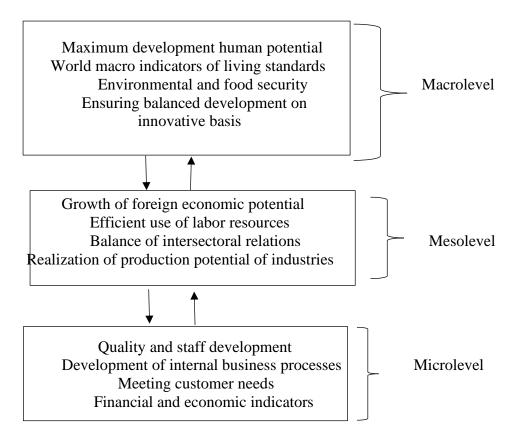


Fig.1. Hierarchical model of multilevel evaluation of efficiency of organizational and economic mechanism of management of grain subcomplex of agroindustrial complex at micro-, meso- and macro-levels

Source: suggested by the author

Thus, adherence to the principle of taking into account the hierarchy of goals (with the dominance of national interests) will reconcile the goals and interests of different levels of government with the national interests of food security, equalization of competition, sustainable development and more.

The system of aspects, criteria and indicators of efficiency of grain product subcomplex management is given in table 1.

Table 1
System of aspects, criteria and indicators of efficiency of grain product
subcomplex management

Efficiency of grain product subcomplex management					
Aspect	Economic	Technical	Social	Environmental	
Criteria	Optimality of the combination of factors that minimize the cost of production	Obtaining the maximum output at available costs	Satisfaction of economic and social needs and interests of employees of agricultural enterprises	Greening the nature of the interaction of production and nature, minimizing the loss of natural resources	
Indicators	The level of satisfaction of market needs, the volume of marketable, net, sold products, the amount of profit, profitability, resource savings	The level of capacity utilization, the cost of gross and marketable products per 1 UAH. fixed and working capital, 1 ha of sown area, savings index	The level of improvement of working and living conditions, increase in the number of jobs and employment, the dynamics of wage growth	The share of waste disposal, the level of implementation of non-waste technologies, the degree of compliance with standards of the impact of chemical factors on the environment, the possibility of restoring natural resources, resource intensity	

Source: Compiled by the author on the basis of generalizations of scientific literature

Among the main specific features of agricultural production in modern conditions, which have a significant impact on the tasks, functions, methods and tools of management and should be taken into account in the formation and development of mechanisms for managing grain production, should be noted as follows.

Land in agriculture is not only the object of labor, as in other sectors of the economy, but also the subject of labor, the main means of production. This determines the territorial dispersion of production, settlements, construction of government agencies mainly on the territorial-production principle. Direct management from a single center is virtually impossible.

Territorial dispersion of production and the remoteness of structural units from the center, the length of communications complicate the collection and processing of information, require expanding the independence of enterprises.

Economic reproduction in agriculture is closely intertwined with natural, which makes it more dependent on natural and climatic conditions and requires the implementation of zonal farming systems.

Production cycles, as well as their duration, are largely related to natural biological processes, which is manifested in the seasonal nature of production, sharp fluctuations in the use of material, labor, financial and other resources during the year. The variety of forms of ownership and management determines the formation of their inherent governing bodies while developing horizontal coordination links to address common issues in the territory where these farms are located (joint services, social and cultural sphere, etc.).

The current structure of the grain subcomplex of Ukraine differs from those in developed countries. The basis for the formation of the grain subcomplex of Ukraine is grain farming, which accounts for more than 50% of the subcomplex's output. For comparison: in the United States, the grain sector provides only 13% of the gross output of the subcomplex, and 73% of the value of grain production falls on the grain processing and marketing industries.

Grain production in Ukraine for a long historical period is one of the main places in the development of agriculture as an industry that has priority in ensuring food security of the state, serves as a raw material base for many industrial goods, is an important source of feed for livestock development, plays decisive role in the formation of export supplies of food products. Natural and climatic conditions and fertility of the land of Ukraine make it possible to obtain high-quality food grain in quantities sufficient to meet domestic needs and build export potential. Based on the agricultural specialization of Vinnytsia region, its importance in the production of grain and products of its processing was chosen to analyze trends in the development of grain subcomplex as typical for Ukraine. Vinnytsia region occupies 26.5 thousand square meters. km. Vinnytsia region occupies only 4.5% of the country, but due to its

favorable location in the forest-steppe zone, sufficient rainfall, high plowing, the predominance of chernozems (gray, brown, podzolic) is an incredibly attractive region for farmers and large agribusinesses. In the structure of crops in Vinnytsia in 2018, grain crops occupy 52.9%, in 2019 - 54.2%.

In terms of agricultural production, the region occupies a prominent place in the state's economy from year to year.

Prospects for further development of the region's grain economy depend on domestic and global market trends. The rapid increase in Ukrainian grain exports leads to the analysis of these trends. A comparison of Ukraine with other leading grain exporters shows that the share of Ukrainian exports, which accounts for 45.6% of grain production, is one of the largest in the world. Only Argentina (69.3%) and Canada (68.3%) export even more of the grain grown.

The comparison with the largest grain producers in the world, the analysis of the structure of domestic grain consumption by individual countries - grain exporters allows us to formulate another additional argument in favor of the thesis of the need to increase domestic grain processing. The state strategy for the development of the grain complex in the context of globalization should be based on the fact that one of its main priorities should be not so much to increase exports of low-quality grain, as to ensure the export of processed products.

Sub-programs to expand the capacity of the domestic market of grain sub-complex products, which can be implemented at both the national and regional levels, can enable the full load of the food industry enterprises of the grain subcomplex. You can offer a program of food aid to the population living below the poverty line, which will focus on reimbursing the cost of food of domestic origin in specialty stores or supermarkets. Many countries have a variety of school nutrition programs. It is advisable to introduce other food programs in Ukraine, such as supplementary nutrition programs for pregnant women, women in the pre- and postpartum period, infants, children, adolescents from low-income households. The criteria for participation in such programs should be the level of net family income, which is below 100% of the poverty line (in 2020 - 3845 UAH per person). In conditions of extremely low income,

Ukrainians can receive up to 45% of the population. Financial resources under such programs can be allocated from the state or local budget and distributed through plastic cards, which will be circulated in a special payment system for electronic transfer of subsidies.

The existing system of stimulating the export of grain and products of grain processing in Ukraine needs a separate rethinking and reform. An existing mechanism that actually pushes grain products out of the country instead of sending them for processing to the food industry or using them as a feed base for livestock and gaining added value. This is due to the fact that since 01.01.2012 and for quite a long time the mechanism of VAT refund to exporters of agricultural products, which puts processing companies in an unequal position. The processing enterprise pays to the budget the difference between "output" VAT (20% of revenue from sales) and "input" VAT (20% of the amounts paid to grain producers for their grain). At the same time, an exporter who bought grain crops from agricultural enterprises without "outgoing" VAT (because export transactions are exempt from VAT) is entitled to a refund of "incoming" VAT [148].

Therefore, exporters, having such a refund, could buy grain from producers at prices higher than processing plants. As a result, grain that could be processed into cereals, baby food, bakery products, cookies, biodiesel, used to increase livestock production, was exported at the lowest prices.

On February 24, 2021, the Law of Ukraine "On Amendments to the Tax Code of Ukraine on the Value Added Tax Rate on Transactions for the Supply of Certain Types of Agricultural Products" was published.

The law stipulates that the value added tax rate will be reduced from 20% to 14% when supplying certain types of agricultural products to Ukraine for export and import into Ukraine.

The list includes mostly raw materials, which are mainly exported - either directly or through processing, and are mostly not sold to the final consumer in Ukraine.

These include wheat, rye, barley, oats, sunflower seeds, rapeseed, flax, corn, soybeans, sugar beets, as well as whole milk, cattle and live pigs.

The lion's share of these goods is either in itself a "golden" fund of Ukrainian agricultural exports, or is a raw material for goods, the export of which provides Ukraine with leading positions in world agricultural markets.

The need to increase the economic and social efficiency of the agro-industrial sphere of the regions while maintaining proper environmental security and preserving natural resource potential requires the application of new management models and sustainable development.

The modern agricultural sector of the economy is characterized by various forms of cooperation and integration, characterized by the emergence of vertically integrated entities, agro-industrial holdings, etc., the next form at the hierarchical level of which are cluster structures represented by a large number of small agricultural enterprises and farms. It is in these small enterprises that the main share of rural employment is concentrated. Today it is necessary to preserve this segment of agricultural production as a carrier of the sphere of employment of the rural population, its income and preservation of the rural identity of our region and the development of rural areas. At the same time, the diversity of such small agricultural producers often leads to significant losses of the final benefit from the sale of their own products due to the inability to form a fair price for it and due to competition between such producers. That is why the cluster approach in the implementation of the strategy of further development of agricultural production in the region is one of the most attractive for its future prospects by combining efforts to improve the efficiency of production activities [149].

As you know, the application of the cluster approach involves voluntary formation integrated structures in certain territories of the participants performing different functions, but united by one technological process, the result of which is the final product, created by the efforts of all participants in the process, from those involved in research and development, and ending with technologists, packers and dealer network.

In works on cluster issues M. Porter identified three main groups of characteristics of the clusters that provide improving the overall economic situation and increasing the national competitiveness of any country:

- 1. Clusters increase productivity enterprises in the area where they were established.
- 2. Clusters increase the pace of innovation and determine their direction, so create a foundation for future economic growth.
- 3. Clusters stimulate the creation of new ones enterprises, and this fact contributes to the increase and strengthening of the cluster [150].

The economic and organizational essence of the grain cluster is to cooperate in the efforts of grain growing, storage, processing, financial, research, training, trade and logistics structures and government agencies for efficient production and sale of products, social development and preservation and restoration of natural resources. resource potential [151].

Improving the sustainability of grain production and sales processes in the grain subcomplex of Ukraine can be achieved through the implementation of the model of regulated grain cluster in the country. In fig. 2 shows the structure of the relationship between the development of the grain subcomplex and the development of the grain cluster.

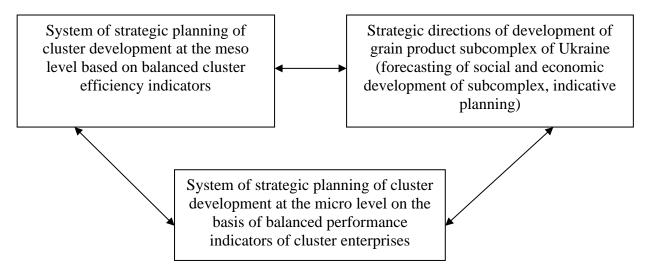


Fig. 2. The structure of the relationship between the development of the grain subcomplex and the development of the grain cluster

Source: formed for [151]

Effective functioning of clusters embedded in the agri-food sector of regions, not only increases the economic performance of regions and countries in general, but also solves food security, unemployment, shadow processes in the study area, biased income distribution among agricultural market participants, achieve sustainable development [152].

The strategy of economic development of the region's agro-industrial complex is an integral part of the overall development strategy of the region, it includes directions of development, ways and means of strategy implementation, private strategies, strategic analysis, forecasts, programs, monitoring. The implementation of the strategy may change in the absence of agricultural policy, prospects and a clear plan for economic development of the region, as economic and investment policy can not detail the direction of development plans for agricultural development in the region and analysis of environmental factors [153].

When developing a state strategy, one should take into account what key growth points exist in the subcomplex and what different interest groups may offer for their development. The need for the development of each individual cluster should be spelled out in the regional strategy, which is based on the consensus between business and administrative elites on the need for cluster development.

Despite the fact that agricultural clusters in Ukraine are called a very promising movement, the strategy of agricultural sector development does not create a solid basis for the development of the clustering process.

By the end of 2021, more than 75 countries are developing and supporting cluster development programs. The European Union is developing its economy through clusters. For example, Finland is fully clustered, with nine clusters, and the Dutch economy is divided into 20 "megaclusters", which determine the priorities of the state's innovation policy. There are 29 clusters in Denmark, with 40% of all companies in the country accounting for 60% of exports.

Expert M. Makhnovets identified 13 main obstacles to clustering:

1. Lack of legal regulation of cluster organizations in Ukraine.

- 2. In contrast to cooperatives, where it is less and less clear, there is no definite concept of cluster organizations, no strategy for their development and financial support from the state.
- 3. Lack of understanding of the definition of "cluster", "cluster initiative" and "cluster organization" (because these are different things from cooperatives and industry associations) at the regional level, so clusters in the regions are still not a priority.4. Lack of specialty or course of cluster manager in universities and research institutions.
- 5. "Smart specialization" or strengths of specific territories in the regions are still not identified and officially approved.
- 6. Lack of experience in working with EU grants and lack of awareness of the possibility of co-financing from international development projects.
  - 7. Reluctance of farmers and players in the agro-industry to unite.
  - 8. Separation of science from business
- 9. There is no long-term result orientation at the level of companies and organizations.
- 10. Willingness to give% of sales, not to use the services of marketing and development of innovative solutions in the agro-food sector.
  - 11. The idea of "competing by interaction" is still not accepted by agribusiness.
- 12. Concentration during the creation of the organization is more on the statutory documents and levers of influence of specific individuals, rather than on the processes of the organization.
- 13. The cluster development initiative in Ukraine is really moving due to the very limited number of enthusiasts both at the state level and at the level of public organizations and individuals who want to make changes in the system of regional economic development [154].

The system of balanced indicators, which is shown in fig.3, can be a tool for assessing the prospects for the development of the regional grain cluster and the territorial-industrial complex.

The system of prospects for the development of the grain cluster					
Customer perspective,	growth perspective,	process perspective,	finance perspective		
	1	formation of local and intra-firm networks; development of the necessary infrastructure; intersectoral cooperation; industry leadership	Increasing the level of investment; enterprise development and grain food market; growth of budget revenues		
Grain cluster strategy					

Fig.3. The system of prospects for the development of the grain cluster Source: developed by the author

As noted by O.M. Odintsov, organizational and economic mechanism of development of agro-industrial cluster provides a number of requirements and features of its structure, which require:

- to formulate the list of requirements to the purposes of cluster formation;
- to determine the model of structuring the goals of the organization;
- to carry out quantitative and qualitative assessment of the goals of cluster formation;
- identify the target elements of the management system and the object of management;
  - to determine the features of goal formation;
- to determine the composition and sequence of the general functions of management in the functioning of the organizational and economic mechanism [155].

Economic development based on stimulating clusters is possible only with the initiative and joint efforts of business and administrations.

The role of government agencies can be to support and initiate cluster activation processes, as regional administrations are almost always involved in the formation and operation of business, and business must influence the administration.

Targeted programs, including regional ones, can have a significant impact on the development of the cluster. For Vinnytsia region, we can propose such an organizational and institutional model of the structure of the grain cluster (Fig. 4).

The first group of cluster members consists of buyers, which in the grain market are processing enterprises, procurement organizations that purchase, store, process grain and sell grain products, wholesale trading companies.

The second group of subjects of the grain cluster is formed by producers of grain products - agricultural enterprises, peasant (farmer) farms and their associations.

The third component is a developed infrastructure represented by a network of highly organized forms of trade (exchanges, fairs, auctions, wholesale markets), financial institutions (banks, investment funds, insurance companies), as well as support and service organizations (legal, consulting, marketing, etc).

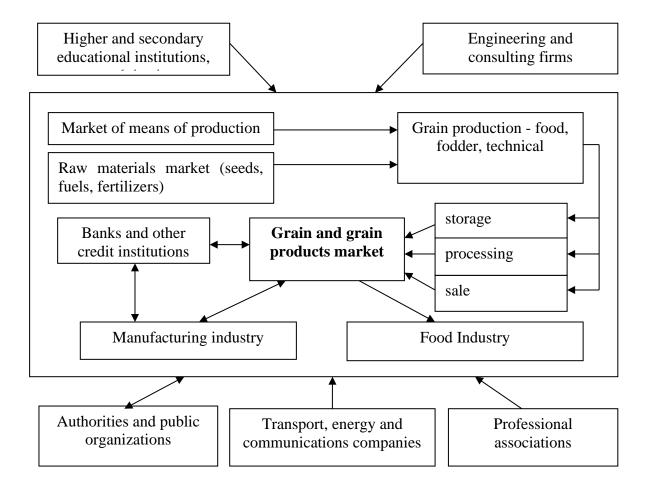


Fig.4. Organizational and institutional model of the grain cluster structure in the grain subcomplex of Ukraine

Source: formed by [151]

The main problems and negative trends of the agricultural sector of the region are identified as follows:

- deformation of the production structure;
- low efficiency of agricultural enterprises;
- deformation of price proportions;
- critical depreciation of fixed assets;
- insufficient state support for agricultural producers;
- insufficient attention from the state to the social development of the village;
- irrational use of agricultural land resources, reduction of land fertility due to insufficient environmental and agro-technical measures in land use.

There is also a lack of support for small farms, agricultural service cooperatives and other organizational forms of small and medium-sized enterprises in rural areas - as this is a prospect for the development of rural areas and increase employment in rural areas.

The analysis of the recently adopted programs of socio-economic development of Vinnytsia region showed the absence of a special program in the region, aimed at supporting the development of the grain subcomplex. Instead, to the negative trends in the development of the agricultural sector of the region should be added a number of phenomena identified by us in the analysis, including:

- strengthening of disparities in the distribution of profits between enterprises of different branches of the subcomplex;
- reduction of profitability of processing enterprises in comparison with infrastructure enterprises;
  - increasing the share of shadow channels for grain sales;
  - low grain quality, predominance of feed grain.

The existing mechanism of management and regulation of the grain subsector in Ukraine does not create sufficient conditions for domestic producers to carry out the processes of expanded reproduction based on the transfer of the industry to an innovative path of development, greening production, improving product quality. This

is especially true for grain producers and grain recycling companies that produce new products with new consumer properties.

The main reasons for the inefficiency of the existing mechanism include the following:

- 1) primary grain producers receive only 30 40% of revenue from the final (retail) price for their products;
- 2) at the stage of export is formed up to 70% of total profits from the sale of agricultural products on the world market, and the expenditure part of this link in most products does not exceed 20%;
- 3) financial flows of multisectoral business entities in the grain subcomplex do not correspond to the value added of goods created by them.

The consequences of the existing disparities in the distribution of income of the subjects of the grain subcomplex are as follows:

- 1) strengthening of financial instability and riskiness of grain economy, lack of income, undermining of financial potential of development on an innovative basis;
- 2) the existence of export rents in favor of foreign TNCs, which is not in the interests of the state;
- 3) degradation of the grain processing sub-sector leads to an increase in imports of grain processing products (cookies, gingerbread, confectionery, etc.) at inflated prices, which leads to a deterioration of food security indicators;
- 4) due to the predominance of grain exports rather than products of its processing in Ukraine, economic, environmental and social problems remain unresolved, especially for the population of rural areas;
- 5) additional direct and indirect losses of the state are generated to support the income of farmers, increase social benefits, etc.

In order to accelerate the solution of these problems at the regional level, we propose to develop a conceptual framework for the development strategy of the grain subcomplex of Vinnytsia region until 2030, which can be used for other agricultural regions of Ukraine. We offer the following sections of the strategy for the development of the grain subcomplex of Vinnytsia region until 2030:

## SCIENTIFIC AND PRACTICAL PRINCIPLES OF DEVELOPMENT OF TERRITORIAL COMMUNITIES IN THE CONDITIONS OF DECENTRALIZATION OF POWER

- 1. Grain subcomplex of Vinnytsia region: state and trends.
- 2. Identification of problems of development of the grain subcomplex of the region.
- 3. The main problems of socio-economic development of the region, affecting the functioning of the grain product under the complex.
  - 4. Principles of strategy implementation.
- 5. Strategic goals and priorities for the development of the grain complex of the region until 2030.
  - 6. The mechanism for implementing the strategy.
  - 7. Stages of strategy implementation.
  - 8. Monitoring of the strategy and control over its implementation.

The strategy should take into account the peculiarities of globalization and strengthening the participation of the agricultural sector in the international division of labor, as well as our results of assessing the effectiveness of organizational and economic mechanism for managing the grain subcomplex of Vinnytsia region.

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## 10. State regulation of biofuel production in Ukraine

Today biofuels in Ukraine are seen as a significant alternative to traditional fuels, which have recently become overly expensive and at the same time inaccessible to the public. The development of bioenergy makes it possible to expand the range of available energy sources, strengthen the country's energy security, promote energy independence of the state, improve the environment [156].

Legislation of Ukraine in the field of cultivation and processing of agricultural raw materials for the production of biofuels has undergone several stages of development, but is still in the process of improvement. In our opinion, the following main stages of its formation should be identified.

The first stage (1991-1999) is characterized by the process of reforming agricultural and land relations, the adoption of a number of legislative acts aimed at the transition to growing agricultural raw materials on an entrepreneurial basis, based on land privatization and integrated property complexes, and lack of special legislation. which would regulate relations on the cultivation and processing of agricultural raw materials for biofuel production.

However, the first legislative attempts to regulate the use of renewable energy sources, including biofuel production, are already at the first stage. Thus, the Resolution of the Cabinet of Ministers of Ukraine "On Priority Measures for the Implementation of the Program of Activities of the Cabinet of Ministers of Ukraine for 1995-1996" of November 5, 1995 defines the need to develop the Concept of Food Industry provide for the widespread introduction of combined heat and power generation, use as fuel production waste (husk, agrimus, coffee extract, buckwheat husk, etc.), solar, wind and other renewable energy sources. The Resolution of the Cabinet of Ministers of Ukraine "On Approval of the Standard Regulations on the Department of Agriculture and Food of the Oblast, Department of Agriculture of the Sevastopol City State Administration" of February 12, 1996 non-traditional and renewable energy sources (wind, solar and biogas plants).

The Resolution of the Cabinet of Ministers of Ukraine "On the Comprehensive

State Energy Saving Program of Ukraine" of February 5, 1997 148 is progressive for the first stage. The program recognized that biomass and other unconventional fuels could provide a significant portion of heat and electricity needs. Renewable biofuels included household and industrial waste, non-commodity waste from agriculture and forestry, urban wastewater and livestock waste, but the main problem with the use of these energy sources is the lack of appropriate equipment and lack of technology for their procurement, preparation and use. The program also planned to increase the use of non-traditional and renewable energy sources, and in the agro-industrial complex it was planned to use wind turbines, energy from water, solar energy, alternative motor fuels from biomass. The program stated that the use of alcohol mixed with gasoline as a motor fuel is widespread in many countries, and ethanol, produced from specially grown raw materials, is a real alternative to imports of oil and petroleum products. Ukraine's need for fuel ethanol as a high-octane additive to petroleum products was estimated at 2 million tons per year. The available resources of by-products of the processing industry and substandard agricultural products were estimated at up to 1 million tons of fuel ethanol. The purchase and processing of substandard and surplus agricultural products into fuel ethanol was recognized as a tool to support agricultural producers, as is the case in other countries. In order to expand the raw material base for the production of alternative motor fuels, it was planned to conduct research on the development of low-cost technologies for growing oilseeds, sugar and starch crops, energy-saving technologies for collection, processing and storage of raw materials.

The Resolution of the Verkhovna Rada of Ukraine "On the Main Directions of the State Policy of Ukraine in the Field of Environmental Protection, Use of Natural Resources and Ensuring Environmental Safety" of March 5, 1998 also defines the need for renewable energy sources. development of programs to obtain a non-traditional energy source - biogas, the use of non-traditional and renewable heat sources to reduce overall fuel consumption. By the Decree of the President of Ukraine "On the Main Directions of Development of the Agro-Industrial Complex of Ukraine" of April 29, 1998, the main measures to stop the decline in agricultural production and meet domestic needs in food and raw materials market conditions, creating conditions for

increasing the production of grain, sunflower, sugar beet and other industrial crops.

At the end of the first stage, the Resolution of the Verkhovna Rada of Ukraine "On Measures to Ensure the Functioning of the Fuel and Energy Complex in Crisis" of December 24, 1998, based on the need to prevent the final collapse of the fuel and energy complex, types of liquid and gaseous fuels, with the adoption of which, in our opinion, came the second stage of development of legislation in the field of cultivation and processing of agricultural raw materials for biofuel production.

The second stage (2000 – 2010) is characterized by an increase in the number of regulations governing relations in the field of cultivation and processing of agricultural raw materials for biofuel production. On January 14, 2000, the Law of Ukraine "On Alternative Types of Liquid and Gaseous Fuels" № 1391-XIV was adopted, which established the principles of production and consumption of alternative types of liquid and gaseous fuels based on unconventional sources and types of energy raw materials. It should be noted that this law is currently in a different version, because at that time it regulated only the production and consumption of liquid and gaseous fuels, not including solid alternative fuels. In addition, in its original version, this Law did not define the concept of biofuels, and also referred to agricultural raw materials from which biofuels can be produced, only agricultural waste. Nevertheless, with the adoption of this Law there is a gradual increase in regulatory and legal regulation of relations in the field of cultivation and processing of agricultural raw materials for biofuel production.

At the second stage, the Resolution of the Cabinet of Ministers of Ukraine "On Approval of the Ethanol Program" of July 4, 2000 launched the Program to expand the use of ethyl alcohol as an energy source and raw material for industry. The aim of the Program was to create favorable conditions for the production of products using biological renewable sources of raw materials and energy, as well as the organization of new for Ukraine and reorientation of existing industries to use products of renewable agricultural raw materials - ethyl alcohol and its derivatives. The program establishes that in Ukraine there are conditions for growing the necessary for the production of biodiesel industrial crops – sunflower, rapeseed, sugar sorghum and others that can

provide part of the need for diesel fuel. The main tasks and expected results from the implementation of the Program included guaranteeing the agricultural producer of constant sales of raw materials with a parallel supply of fuels and lubricants, mineral fertilizers and other products.

Subsequently, for the first time in Ukrainian legislation, the Law of Ukraine "On Alternative Energy Sources" of 20 February 2003 classifies biomass energy as alternative energy sources. Among the peculiarities of the use of alternative energy sources due to natural conditions, the Law singles out such a feature as the presence of biomass, the amount of which depends on annual yields, the relationship between agricultural raw materials and energy production from alternative sources. In pursuance of this Law, the Resolution of the Cabinet of Ministers "On the Procedure for Issuing a Certificate of Fuel for Alternative" of October 5, 2004 and the Order of the State Committee of Ukraine for Energy Conservation of December 10, 2004, which established a mechanism for conducting an examination to determine the characteristics of the fuel to confirm its affiliation to the alternative and the procedure for obtaining and form of a certificate of affiliation of the fuel to the alternative.

The Decree of the President of Ukraine "On Measures to Develop the Production of Fuel from Biological Raw Materials" of September 26, 2003 established that ensuring the development of production and expanding the use of fuel from biological raw materials is one of the priorities of the executive branch. biodiesel and biogas with measures to conduct comprehensive research aimed at determining the production and use of biodiesel and biogas, types of biological raw materials optimal for their production, studying the possibility of further use of waste generated in the process of such production; increasing the volume of crops used for the production of biodiesel and biogas, including through the introduction of advanced technologies in this area and the use of the most productive plant varieties; improving the waste collection system for use in biogas production; introduction of mechanisms of state support for activities aimed at developing new technologies and equipment for the production of biodiesel and biogas; support for investment activities in the field of biodiesel and biogas production; expanding the use of biodiesel and biogas in household and

industrial production. The decree also establishes the need to study the feasibility of introducing a fee for transactions for the sale of petroleum products in order to direct the proceeds to the development of plants that are optimal for the production of biodiesel; take measures to develop international scientific and technical cooperation in the field of production and use of fuel from biological raw materials; to ensure the harmonization of national legislation in the field of production and use of fuel from biological raw materials with the legislation of the European Union.

Following the adoption of this Decree, the Cabinet of Ministers of Ukraine approved the Order "On Development of Biodiesel Production in 2003" of October 6, 2003, which instructed the Ministry of Agrarian Policy to develop, approve and ensure a set of measures to develop biodiesel production in 2003 and together with the Ministry. finance to develop and approve the procedure for the use of funds provided in the State Budget of Ukraine for 2003 for the implementation of the program for the development of biodiesel production. Pursuant to this Order, on November 10, 2003, the Ministry of Agrarian Policy and the Ministry of Finance adopted the Procedure for Using Funds Provided in the State Budget of Ukraine for the Biodiesel Development Program, which stipulates that the use of funds exclusively for payment of works and services, including, in particular, development of the project of the State program of development of production of biodiesel for the period till 2010, working off and introduction of advanced domestic and foreign technologies of reception of raw materials for production of biodiesel, carrying out a complex of field works. Organizations that, among other requirements, had to have experience in the development or implementation of state, sectoral, regional programs, which provided for the introduction of biofuels, energy-saving technologies, the creation of raw materials for the production of biological species, were allowed to participate in tenders, fuels or energy sources, growing crops suitable for processing into biofuels.

The concept of the Diesel Biofuel Development Program for the period up to 2010 was approved by the Order of the Cabinet of Ministers of Ukraine of December 28, 2005, and the Program itself was approved by the Resolution of the Cabinet of Ministers of Ukraine of December 22, 2006. The purpose of the Program was to

increase the level of environmental and energy security of Ukraine, reduce the dependence of the national economy on imports of petroleum products, providing the agricultural sector of the economy and the transport sector with diesel biofuels. The program was aimed at solving such basic tasks as creating a raw material base for the production of diesel biofuels, in particular: development of energy-saving technologies for rapeseed cultivation, expanding rapeseed cultivation, increasing its yield, creating areas of concentrated rapeseed cultivation. biofuels, as well as the development of regulations on the production and use of diesel biofuels with further preparation of relevant state standards and others.

The Order of the Cabinet of Ministers of Ukraine of November 19, 2008 approved the Concept of the State Targeted Economic Program for Energy Efficiency for 2010-2015, the main purpose of which was to create conditions for reducing energy intensity of gross domestic product and of ways to solve energy efficiency problems. In 2009, a number of Ordinances of the Cabinet of Ministers of Ukraine were adopted, aimed at developing relations on the production and use of biofuels. In particular, the Order of the Cabinet of Ministers of Ukraine "Some issues of state policy in the field of efficient use of fuel and energy resources" of February 11, 2009, the Order of the Cabinet of Ministers of Ukraine "Issues of biogas production and use" of February 12, 2009, Order of the Cabinet of Ministers of Ukraine "On Approval of the Concept of the State Targeted Scientific and Technical Program for the Development of Production and Use of Biological Fuels" of February 12, 2009 (however, the Program itself was not adopted). On May 21, 2009, the Law of Ukraine "On Amendments to Certain Laws of Ukraine on Promotion of Production and Use of Biological Fuels" was adopted. definition of biofuels, biomass and others.

The Resolution of the Cabinet of Ministers of Ukraine "On Approval of the State Targeted Economic Program for Energy Efficiency and Development of Energy Production from Renewable Energy Sources and Alternative Fuels for 2010-2015" of March 1, 2010 approved the Program. The aim of the Program was to create conditions for bringing the energy intensity of Ukraine's gross domestic product closer to the level of developed countries and European Union standards, reduce the energy intensity of

gross domestic product during the Program by 20 percent compared to 2008 (by 3.3 percent annually). fuel and energy resources and strengthening the competitiveness of the national economy, as well as optimizing the structure of the energy balance of the state, in which the share of energy from renewable energy sources and alternative fuels will be at least 10 percent in 2015 by reducing the share of imported fossil fuels energy resources, in particular natural gas, and their replacement by alternative types of energy resources, including secondary ones. The production and use of biofuels in the Program is named as one of the ways to solve these problems. It should be noted that according to the Resolution of the Cabinet of Ministers of Ukraine "On extension of the State Targeted Economic Program for Energy Efficiency and Development of Energy Production from Renewable Energy Sources and Alternative Fuels for 2010-2015" of November 11, 2015, the Program was extended. for the period up to 2016.

On September 24, 2010, the Protocol on Ukraine's Accession to the Treaty establishing the Energy Community was signed, which entered into force for Ukraine on February 1, 2011. To comply with Chapter II of the Treaty establishing the Energy Community and in accordance with Art. 2 of the Protocol of Accession of Ukraine to the Treaty establishing the Energy Community, Ukraine has undertaken to implement a number of European Union Directives, including Directive 2001/77 / EEC on the promotion of the use of electricity produced from renewable energy sources in the internal electricity market, and Directive 2003/30 / EC on the promotion of the use of biofuels or other renewable fuels for transport. With the accession of Ukraine to the Treaty establishing the Energy Community, in our opinion, we should consider the beginning of the third stage of development of legislation in the field of cultivation and processing of agricultural raw materials for biofuel production.

The third stage (since 2011) is characterized by the adaptation of Ukrainian legislation in the field of cultivation and processing of agricultural raw materials for biofuel production to the legislation of the European Union. Thus, the Order of the Cabinet of Ministers of Ukraine of August 3, 2011 approved the Action Plan for the implementation of obligations under the Treaty establishing the Energy Community which provides a number of measures to bring the legal framework on various issues

in the energy sector, including biofuels, to the requirements of the legislation of the European Union in specific terms.

At the third stage, there is a tendency to adopt program documents on the cultivation of agricultural raw materials, production and use of biofuels. Thus, the Resolution of the Cabinet of Ministers of September 12, 2011 approved the State Program for the Development of Domestic Production. It states that only about 1 million tonnes of conventional fuel are currently used as fuel, and a significant amount of biomass suitable for energy production is destroyed or taken to landfills. Priorities for the development of bioenergy are the creation of boilers for burning wood waste, straw-burning boilers, power plants using biogas dumps, retrofitting existing thermal power plants for burning household and industrial organic waste. It is also pointed out that in Ukraine recently the area under rapeseed for biofuel production has sharply increased, but no facilities have been created for own processing of such raw materials. There are concerns that over-exploitation of agricultural land by expanding the area under industrial crops may lead to depletion of their potential and loss of soil fertility. The main directions of development and stimulation of the use of renewable energy sources and alternative fuels by this Program are the improvement and dissemination of production of liquid biofuels and biogas, in particular from agricultural and forestry waste, household and industrial organic waste and other alternative fuels, including used plastic containers, as well as improving the regulatory framework to stimulate the use of energy in the industry from renewable energy sources and alternative fuels.

At the third stage, there is also an expansion of Ukraine's international cooperation in the field of agricultural raw materials and biofuel production. On October 25, 2011 a Memorandum of Understanding was signed between the Ministry of Energy and Coal Industry of Ukraine and the Ministry of Mining and Energy of the Federative Republic of Brazil in the field of biofuel production. Brazil is a world leader in the production of cane bioethanol, so the objectives of the Memorandum are to promote bilateral scientific, technical, technological, regulatory, administrative and commercial cooperation in the production of biofuels, including bioethanol. The parties to the Memorandum confirmed that there are many potential areas for investment in

biofuels for the public and private sectors, so Ukraine and Brazil will encourage companies located in their countries to invest in biofuels, including bioethanol.

On October 12, 2012, the Agreement on Cooperation in Agriculture was signed between the Ministry of Agrarian Policy and Food of Ukraine and the Ministry of Foreign Trade and Economic Relations of Bosnia and Herzegovina, approved by the Order of the Ministry of Agrarian Policy and Food of January 18, 2013. According to Art. 2 of this Agreement, Ukraine and Bosnia and Herzegovina will develop mutual assistance and support of contacts between entrepreneurs in the field of plant growing, processing, agricultural and horticultural seed production, biofuel production and bioenergy. In order to deepen the adaptation of Ukrainian legislation to the legislation of the European Union, the Order of the Cabinet of Ministers of Ukraine of 19 June 2013 approved the Action Plan for the implementation of Directive 2001/77 / EC and Directive 2003/30 / EC. indicative task and ensuring the introduction on the market of a minimum percentage of biofuels and other alternative fuels, hold public hearings on the possibilities of using biofuels and other alternative fuels, prepare reports for the Secretariat of the Energy Community on measures taken to promote biofuels or other alternative fuels in order to replace diesel or gasoline for transport, possible volumes of biomass that can be used for the production of fuel for non-transport, prepare information on renewable energy sources suitable for biofuel production fuel for transport in order to ensure the formation of the market for biofuels and raw materials for its production.

Following the adoption of Directive 2009/28 / EC of the European Parliament and of the Council of 23 April 2009 on the promotion of the use of energy from renewable sources of energy, which amends and subsequently repeals Directives 2001/77 / EC and 2003 / 30 / EU, Ukraine adopted the Order of the Cabinet of Ministers of Ukraine "On approval of the action plan for the implementation of Directive 2009/28 / EC of the European Parliament and of the Council" of September 3, 2014. According to the Plan, it is declared necessary to develop and publish a methodology for calculating GHG emission reductions for biofuels and bioliquids, to develop technical requirements for the production and use of biofuels and bioliquids with GHG emission

reductions starting from January 1, 2017. 50 percent, and from January 1, 2018 - at least 60 percent for biofuels and bioliquids produced at plants commissioned after January 1, 2017, to develop sustainability criteria for liquid and gaseous fuels produced from biomass and used in transport, as well as for liquid fuels produced from biomass and intended for energy use other than transport.

At the research stage, the state also states investment support for the cultivation and processing of agricultural raw materials for biofuel production. In particular, the Law of Ukraine "On Stimulating Investment Activity in Priority Sectors of the Economy to Create New Jobs" of September 6, 2012 defines the basics of state policy in the investment sphere during 2013-2032 to stimulate investment in priority sectors. Priority sectors of the economy are those aimed at meeting the needs of society in high-tech competitive environmentally friendly products, high-quality services that implement state policy on the development of production and export potential, job creation. According to the Order of the Cabinet of Ministers of Ukraine "On approval of the list of priority sectors of the economy" of August 14, 2013, such priority sectors of the economy include agro-industrial complex in the field of biofuel production, focusing on import substitution.

An important act for the development of agricultural raw materials for biofuel production is the adoption of the Strategy for the development of the agricultural sector for the period up to 2020, approved by the Order of the Cabinet of Ministers of Ukraine of October 17, 2013. The Strategy states that the agricultural sector of Ukraine is system-forming in the national economy, forms the basis for preserving the sovereignty of the state – food and within certain limits economic, environmental and energy security, ensures the development of technologically related sectors of the national economy and forms socio-economic foundations rural areas. According to the Strategy to ensure the development of the agricultural sector, priority will be given to support the food and processing industries - by stimulating the production of new products (bioethanol, rapeseed and soybean oil), alternative energy production, especially biofuels from crops not used for food purpose and animal feed.

One of the starting points of the third stage was the ratification of the Association

Agreement between Ukraine, on the one hand, and the European Union, the European Atomic Energy Community and their Member States, on the other hand. Chapter 5 "Economic and Sectoral Cooperation" of the Association Agreement provides for cooperation between Ukraine and the EU in the field of energy, in particular, in the field of development and maintenance of renewable energy, taking into account the principles of economic feasibility and environmental protection, as well as alternative fuels, sustainable production of biofuels and cooperation in the field of legal issues, certification and standardization, as well as technological and commercial development.

The program documents of the third stage also include the National Renewable Energy Action Plan for the period up to 2020, approved by the Order of the Cabinet of Ministers of Ukraine of October 1, 2014, which contains a section "Bioenergy". It states that the bioenergy sector in Ukraine has perhaps the greatest potential for development, due to the peculiarities of the climate, the potential of the agricultural sector and the availability of the necessary labor force. The Plan states that the greatest energy potential in Ukraine has such types of biomass as crops, wood waste, liquid fuels from biomass, the biological component of solid waste, biogas. However, the realization of the existing potential of bioenergy is complicated by the lack of infrastructure and raw materials needed to ensure uninterrupted supply of raw materials, low level of development of equipment suppliers, as well as low generation of each individual facility. As a result, the dynamics of electricity production from biomass lags behind the generation of electricity from other renewable energy sources. However, the Plan states that the use of biomass can become an important component in the balance of heat production, with the introduction of stimulating tariffs for heat generation from renewable energy sources and the development of the energy biomass market in Ukraine.

Green energy is now evolving faster than ever before. And not only because it is ecological and it is necessary to save the planet, but first of all because it is a way to energy independence of the countries.

Solar, wind, various types of biofuels, etc. have become familiar to us. Although

their share in the total generation is not so great. However, the world is beginning to use another type of fuel - hydrogen. It is environmentally friendly and, moreover, is the most common element in nature. Hydrogen is made from water using electricity.

Hydrogen can run cars, yachts, planes; it can be used instead of natural gas in industry and to heat homes; it can be used to generate electricity and be used as a high-capacity battery.

The prospect of a new type of energy is evidenced by the fact that a special term was even coined for it – the hydrogen economy.

Ukraine can produce up to 8 billion cubic meters of biomethane per year. Given the volume of its own gas production at the level of 20 billion cubic meters, this will almost completely provide the population and industry with their own natural gas.

The total consumption of natural gas in Ukraine is about 30 billion cubic meters. Now the part of the gas that is not enough is being compensated by the Russians. But it is imported from EU countries (Slovakia, Hungary, Poland).

Using biomethane together will allow Ukraine to gain energy independence. This requires the delivery of this "green" gas to millions of consumers. That is why the Regional Gas Company together with the Bioenergy Association of Ukraine have started preparing gas distribution networks to work with biomethane.

Raw materials for biomethane are waste from the agricultural sector. Ukraine has the largest area of agricultural land in Europe, so the potential for its production is great.

Experts of the Bioenergy Association of Ukraine estimate its production at 7.8 billion cubic meters per year. This is 25% of the total natural gas consumption in Ukraine.

Biomethane is a gaseous fuel derived from biogas with a methane concentration of 95-98%. Enriched biomethane is no different from natural gas, so it can be transported and used with minimal infrastructure upgrades. Biomethane has the advantages of natural gas, while remaining carbon neutral.

Most biomethane in Ukraine can be generated from cereal straw, which usually remains in the fields after harvest.

Experts of the Bioenergy Association of Ukraine estimate the potential of biogas from these raw materials at 3.8 billion cubic meters, from corn silage -2.7 billion cubic meters, from other livestock and processing waste -1.3 billion cubic meters.

Most biogas plants in Ukraine now use livestock waste or sugar beet pulp as raw material. The potential for crop residues and maize silage remains untapped.

Biomethane is an analogue of natural gas. This allows the use of gas distribution networks and a powerful gas transportation infrastructure without significant modernization. In contrast to "green" hydrogen, the transportation of which requires large-scale investments in network modernization.

The developed network of gas pipelines allows to connect biogas plants focused on raw material sources and to deliver energy to a large number of consumers, regardless of the weather and season. All this makes biomethane quite attractive to fuel compared to other environmental energy sources - such as wind or sun.

According to UABIO, as of 2020, there were 27 biogas projects in Ukraine. This is 50% more than in 2019.

They are focused mainly on the production of electricity and its sale at a "green" tariff. As of January 2020, 19 biogas projects in Ukraine have received a "green" tariff.

However, after enrichment, biogas can be used as an environmentally friendly alternative to natural gas by running it on the grid.

The law "On the natural gas market", which was adopted in 2015, allows the pumping of biogas into the network, but provided that it "in its physical and technical characteristics meets the regulations on natural gas." However, in the current legislation of Ukraine there is no mechanism for verification of biomethane to ensure its further supply to the gas transmission system and there is no definition of "biomethane". That is why the Verkhovna Rada on September 9, 2021 in the first reading supported the bill №5464 on the development of biomethane production.

The cost of biomethane in Ukraine has long been higher than natural gas. This created barriers to market development. Rising natural gas prices make it advantageous to supply biomethane directly to consumers.

Natural gas in recent years has cost, on average, \$ 200-300 per thousand cubic

meters. It's only literally the last few months that its price has gone up. The price of up to 700-750 dollars per thousand cubic meters is forecast for September. The cost of biomethane in Ukraine is from 600 to 700 dollars per thousand cubic meters. Therefore, when gas was cheap two or three years ago, it made no economic sense to replace it with biomethane.

The Regional Gas Company has recently started preparing gas distribution networks in Vinnytsia, Khmelnytsky and Chernihiv oblasts for the use of biomethane. This is the first such project in Ukraine.

In the framework of cooperation with the Bioenergy Association of Ukraine, four biogas plants are planned to be connected to the gas distribution network. The total capacity of the plants is about 50 million cubic meters of gas per year.

Access to the gas distribution system will allow biomethane production to realize its full potential. Our task is to ensure effective quality control of "green" gas and a mechanism of guaranteed gas supply in case of theoretically possible interruptions in biomethane supplies. Innovations will not affect consumers.

In Vinnytsia oblast, the GDN operator is preparing to connect two biomethane projects with a total capacity of about 20 million cubic meters of gas per year, which operate on poultry waste.

In Khmelnytsky and Chernihiv oblasts, two plants can generate about 30 million cubic meters of biomethane.

There are no technical or legal obstacles to the connection of biogas plants to gas distribution networks.

The law stipulates that biogas brought to the quality of natural gas can be pumped into the network. According to the same norms as the natural gas producer. No additional mechanisms are required.

They can quickly install equipment to clean biogas from CO2. This is a commercial technology that is designed and installed in a few months. Biogas plants for methane production can be re-equipped in a maximum of six months. This costs about 20% of the cost of the biogas plant.

While maintaining the high price of natural gas, the biomethane market will

develop in Ukraine even without subsidies from the state. But even if the price decreases, potential consumers in market conditions can be export-oriented enterprises. For example, metallurgists.

After all, a significant part of the metal is exported to Europe, where from 2023 it is planned to introduce a tax on carbon footprint.

If the metal is produced in the traditional way, you will have to pay this tax at the border. If biomethane is used instead of natural gas for steel production, no tax is required. Exporters will be interested in "greening" their production so as not to pay additional taxes. They will be willing to pay a higher price for biomethane than for natural gas

The EU is a world leader in biomethane production. First of all, through the approved course to reduce carbon emissions. After all, when burning biomethane, the natural balance is not disturbed.

Today, biomethane production in Europe already exists in 18 countries. The sector is developing rapidly. In 2019 alone, biomethane production in the EU increased by 16% compared to the previous year (the largest increase since 2014).

Germany remains the leader in the European biomethane market, with about half of European biomethane produced at 200 plants.

In recent years, countries such as France, the Netherlands, Denmark, and Italy have led in the pace of development.

Biogas production is possible at agro-industrial processing plants. Waste in the form of bards, molasses, manure, straw can be processed in modernized distilleries and sugar factories.

According to Shevchuk G.V. it is quite necessary at present to modernize sugar factories focused on biogas production with further in-depth modernization to create alcohol production (Fig. 1) [157].

Creating a kind of production cluster based on sugar in the direct sugar plant, biogas plant, thermal power plant and distillery will allow:

- reduce the cost of sugar production because through the use of its own biogas you can give up expensive natural gas;

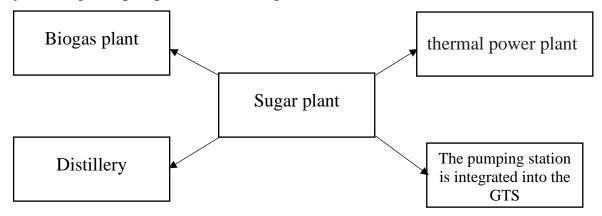


Fig. 1. Schematic diagram of a production cluster based on a sugar factory

Source: [157]

- to process waste from sugar factory (molasses and pulp) and alcohol (bard) for biogas and some waste from crop products (straw, husks, etc.);
- reduce the cost of alcohol production through the use of excess thermal energy from its own thermal power plant;
- to minimize wastewater pollution from alcohol and sugar production of the environment.
- to provide agricultural enterprises with high-quality organic fertilizer digestate (the use of which will increase the yield of agricultural crops, including sugar beet and sunflower) [157].

Research of Kaletnik G.M. on the implementation of operating biogas plants on crop and livestock waste in households of Ukraine, is relevant and economically feasible. Biogas plants for processing animal manure are available the simplest and widely used throughout the world. Using biogas plants not only helps to solve the problems of agrochemistry, agriculture and energy. G.M. Kaletnik states that the introduction of biogas plants in households (as well as in agricultural enterprises) will allow in the future to achieve energy independence of rural areas and Ukraine as a whole. [158, p.18]

Development of production and consumption biofuels in Ukraine, whose economy is 80% depends on the import of petroleum energy, is relevant and strategically important. According to Kaletnik G.M. needed as a country that owns

huge potential of the raw material base for the production of biological fuels, to do so at the state level and scale [159, p. 174].

Today in Ukraine adopted the Law of Ukraine "On Amendments to Some Laws of Ukraine on the Development of Production and Consumption of Biomethane" is designed to create a legal basis for the development of the biomethane market in Ukraine and replacement of natural gas with biomethane in electricity and heat production [160].

As of January 1, 2021, there are 53 plants in Ukraine that produce energy from biogas and operate at a "green" tariff. The total electric capacity of these plants is 103.4 MW.

According to the National Renewable Energy Action Plan until 2020, the expected capacity of biogas by the end of 2020 should have been 290 MW, and therefore the expected implementation of the plan is only 36%. Thus, the pace of development of the electricity sector from biogas can be considered insufficient.

The total gross production of biogas in 2020 is estimated at about 100 million nm3 / year, and only 34% of the energy potential of this biogas is converted into useful electricity (156 GWh) and heat (128 TJ) energy.

Increasing the economic attractiveness of biogas projects is possible due to the useful consumption of thermal energy produced in cogeneration plants, in addition to the own needs of biogas plants. However, linking biogas projects to raw material sources, which are mainly manure, manure and corn silage, does not allow to find the required amount of heat in the immediate vicinity of the consumer during the year, and its creation may require additional investment in the project. can always be satisfactory.

The decision on the possibility of the fullest use of biogas energy may be the spatial separation of biogas generation and generation of electricity and heat from purified biogas (biomethane). One of the rational ways of such a solution is to supply biomethane to the gas transmission or gas distribution system, followed by its use in any place where there is a connection to the gas pipeline and where there is a heat consumer.

To date, biomethane is not produced in Ukraine. The main reason for this is the

lack of economic and legislative prerequisites, in particular the lack of a register of production and consumption of biomethane.

According to the second paragraph of the first part of Article 19 of the Law of Ukraine "On Natural Gas Market" and paragraph 2 of Chapter 3, Section I of the Gas Transmission System Code, approved by the NCRECP of 30.09.2015 № 2493, registered in the Ministry of Justice of Ukraine producers of biogas or other types of gas from alternative sources have the right to access gas transmission and distribution systems, gas storage facilities, LNG installations and to connect to gas transmission and distribution systems, subject to technical and safety standards in accordance with the law and provided that biogas or other types of gas from alternative sources in their physical and technical characteristics meet the standards for natural gas.

Thus, purified biogas, which in European practice is called "biomethane", is technically possible to submit to the gas transmission or gas distribution system, and the producer of purified biogas will be considered an independent producer of natural gas in the unregulated segment.

However, in the current legislation of Ukraine there is no mechanism for verification of biomethane to ensure its further supply to the gas transmission system and there is no definition of "biomethane".

The lack of a state mechanism for the development of the biomethane market is a barrier to the introduction of modern technologies for efficient use of biogas energy potential, which are actively developing in EU countries, which in turn reduces the rate of job creation, taxes and other fees to the state treasury. reduces the likelihood that Ukraine will meet its international commitments to reduce greenhouse gas emissions under the Paris Agreement, the goals of Ukraine's Energy Strategy until 2035, inhibit innovation, economic decarbonisation and sustainable development.

The mechanism proposed in the draft act to guarantee the origin of biomethane and the possibility of connecting biomethane to gas transmission and distribution systems will expand the capacity of biomethane producers to sell electricity and heat directly to consumers, and as a result increase energy efficiency of biogas. also increase the economic attractiveness of biogas projects for potential investors.

The issue that is proposed to be resolved as a result of the adoption of the regulatory act is important and cannot be resolved through market mechanisms, as it requires regulatory regulation.

Accordingly, the improvement of state regulation of economic entities engaged in biogas production is possible through the adoption of state standards that would establish mandatory requirements for biogas production, as well as state building codes governing the construction of biogas plants.

To date, the Law of Ukraine "On Amendments to the Law of Ukraine" On Alternative Fuels "for the Development of Biomethane Production" No. 5464 of 05.05.2021 has been adopted in the legal field. The law has solved two main tasks:

- 1. Introduces into the legislative field of Ukraine the definition of the term "biomethane" a biogas that in its physical and technical characteristics meets the regulations on natural gas for supply to the gas transmission and distribution system or for use as motor fuel;
- 2. Creates the "Biomethane Register" an electronic system of accounts designed to register the amount of biomethane submitted to the gas transmission or gas distribution system and selected from the gas transmission or gas distribution system, as well as to form guarantees of biomethane origin, their transfer, distribution or cancellation and cancellation biomethane [161].

In order to ensure food security in Ukraine, in our opinion, restrictions should be imposed on the use of biomass for food production. In particular, Art. 1 of the Law of Ukraine "On Alternative Fuels" of January 14, 2000 to add a new paragraph as follows: "non-food biomass - non-compliance of biomass with the established criteria of quality and safety, for food purposes and for the production of biofuels, and the use of which for the production of biofuels does not reduce the food security of the state. " In accordance with Part 4 of Art. 8 of the Law of Ukraine "On Alternative Fuels" of January 14, 2000, economic entities, as a result of which biomass is formed, are obliged to keep records of such biomass in the manner prescribed by the Cabinet of Ministers of Ukraine. As it is not currently adopted, we believe that its adoption should provide that economic entities, as a result of which biomass is formed, are obliged to keep

separate records of biomass for non-food purposes, and use it as a priority for biofuel production. Why Part 4 of Art. 8 of the Law of Ukraine "On Alternative Fuels" of January 14, 2000 shall be worded as follows: in accordance with the procedure established by the Cabinet of Ministers of Ukraine ". In our opinion, such amendments to the legislation will prevent the deterioration of food security in Ukraine and will promote the use of biomass for the production of second-generation biofuels.

Crop products that are subject to legal relations for the cultivation and processing of agricultural raw materials for the production of biofuels also include energy crops such as miscanthus, poplar, willow, and others that are grown specifically for the production of second-generation biofuels. In Ukraine, the cultivation of energy crops for biofuel production is at an early stage, which is also affected by the lack of proper legal regulation. In particular, there is no list of crops that are considered energy, the definition of their concept, the features of state support for their cultivation. Ukraine's energy strategy for the period up to 2030 indicates only that crops have the greatest energy potential in Ukraine, without naming any energy crops among them.

In general, energy crops are divided into three groups:

- a) woody plants of rapid rotation (poplar, willow);
- b) annual cereals (millet, sugar sorghum);
- c) perennial plants that grow quickly (miscanthus, switchgrass).

According to experts, plants intended for the production of second-generation biofuels have high energy productivity and do not pose a threat to traditional agriculture, which reduces the risk of food security. In Ukraine today, only energy willow, poplar and miscanthus are grown. According to experts, miscanthus is a perennial rhizome herb that can be harvested annually for fifteen years or more after a single planting, which is fast growing and resistant to low temperatures, has little need for water. Energy willow is a tree-like densely growing crop, which is a shrub or bush-like tree, has a large number of shoots, which are quite easy to propagate. The degree of depletion of willow is 3-5 times lower than that of cereals, in addition, about 60-80% of nutrients are returned to the ground with fallen leaves. It can grow on different types of soils, wetlands and unproductive lands. Poplar is also a perennial tree-like

energy crop, resistant to pests, can grow on poor soils and contaminated lands, but it is less hardy than willow, requires virtually no pesticides or fertilizers.

In our opinion, in order to intensify the activity of growing energy crops, the Law of Ukraine "On Alternative Fuels" of January 14, 2000 should provide for the term "energy crops". However, the introduction of a new term should not be an end in itself, but should facilitate the interpretation of the content of legal relations that arise between the subjects in relation to a particular object. In addition, the term must accurately refer to the corresponding concept, which in turn should reflect the specific, legally significant, features of the phenomenon being defined. Therefore, to define the concept of energy culture, you should refer to the specialized literature. Thus, energy crops are proposed to mean plants that require low-cost cultivation and are used to produce biofuels, such as bioethanol, or are burned to produce electricity or heat.

According to other experts, energy crops are plants that are grown for use directly as fuel or for biofuel production.

European Union legislation in the framework of the EU's Common Agricultural Policy (CAP) also provides for the concept of energy crops. Chapter 5 of the EU Council Regulation № 1782/2003 "On establishing common rules for direct support schemes under the common agricultural policy and establishing separate support schemes for farmers and amending the EEC Regulation" of 29 September 2003, energy crops means crops grown for energy products: biofuels, within the meaning of paragraph 2 of Art. 2 of Directive 2003/30 / EC, and electricity and heat produced from biomass.

Analyzing the above definitions of energy crops, the following features of energy crops should be identified:

- 1) are grown specifically for energy purposes;
- 2) used for the production of biofuels or electricity and heat;
- 3) is biomass.

In our opinion, these features of energy crops are enough to highlight a separate term in the legislation of Ukraine. Thus, energy crops are industrial crops specially grown for the production of biofuels, electricity and/or heat. In our opinion, such a

definition of energy crops should be provided in Art. 1 of the Law of Ukraine "On Alternative Fuels" of January 14, 2000. In addition, the issue of improving the legal regulation of energy crops through the introduction of economic and legal mechanism to stimulate such cultivation through subsidies, as well as partial state interest on loans will be discussed in the following sections.

Among the objects of legal relations concerning the cultivation and processing of agricultural raw materials for the production of biofuels should also be distinguished products and wastes of livestock and fisheries. Such facilities include manure and other wastes from agricultural producers growing animal products, as well as algae. The production of biofuels from algae belongs to the third generation, and it is under experimental development. Algae are the fastest growing plants in the world, have a record amount of oil, and are a non-food biomass. It is believed that algae can produce both bioethanol and biogas and biodiesel. The importance of developing thirdgeneration biofuels is also recognized in Ukraine. The concept of a new stage of the targeted comprehensive research program of the National Academy of Sciences of Ukraine "Biomass as a fuel raw material" ("Biofuels"), among other priority measures to develop biofuel production is the formation of new strains of microorganisms, fungi and algae, microbiological as well as the development of their resource genetic base. However, if livestock products and wastes are actually used in Ukraine for biogas production, the technologies of using algae for biofuel production are only being implemented.

Peculiarities of legal relations on cultivation and processing of agricultural raw materials for biofuel production determine their content, a subjective legal rights and obligations of entities engaged in cultivation and processing of agricultural raw materials, which express the specific inherent in the legal relationship as a special form of actual social relations.

In our opinion, the subjective legal right in the field of cultivation and processing of agricultural raw materials for biofuel production is enshrined in law or contract and guaranteed by the measure of permissible behavior, which provides the authorized subject of agrarian relations a set of legal opportunities and means allow to meet the

needs in the field of cultivation and processing of agricultural raw materials for biofuel production. A subjective legal obligation in this area is a measure of necessary behavior enshrined in law or contract, which is attributed to the subject of agrarian relations in relation to the cultivation and processing of agricultural raw materials for the production of biofuels.

The complexity of the legal relationship regarding the cultivation and processing of agricultural raw materials for the production of biofuels necessitates the classification of subjective rights and obligations of their subjects. In particular, rights and responsibilities should be divided into general and special.

The general ones should include land, property, organizational and managerial, environmental and others. The rights and obligations belonging to these groups are contained in the norms of agricultural, land, civil, economic, environmental and other legislation, and are general in nature because they are characteristic of many subjects of agricultural production. These include, for example, the right to manage the land independently, to dispose of products and income independently, the right to enter into contractual relations with any legal entity and individuals, the obligation not to harm the environment and others. In our opinion, special rights and responsibilities include those that are specific only to the subjects of legal relations in the field of cultivation and processing of agricultural raw materials for the production of biofuels. These include: the obligation to grow agricultural raw materials for the production of biofuels that do not reduce the food security of the state; adhere to the criteria of sustainability in the cultivation of agricultural raw materials for biofuel production; the obligation of economic entities, as a result of which the biomass used for biofuel production is formed, to keep records of such biomass in accordance with the procedure established by the Cabinet of Ministers of Ukraine; the obligation to reduce greenhouse gas emissions from the cultivation and processing of agricultural raw materials; adhere to environmental regulations.

A clear list of rights and responsibilities of economic entities and the consolidation of the mechanism of their implementation is one of the criteria for guaranteeing the right to free business. In this regard, in her opinion, it is expedient to

enshrine in a single legislative act general approaches to the powers of agricultural producers in the field of commodity agricultural production, and in legislation governing certain types of commodity agricultural production, by amending the rights and responsibilities depending on the specific activity.

However, in our opinion, the enshrinement in legislation of the list of rights and obligations does not contribute to the legal certainty of the relationship to be settled, but on the contrary, the creation of such lists may lead to conflicts in the law. Rights and responsibilities should be formulated by establishing a specific rule of conduct, the result of which is the emergence of the rights and responsibilities of the subjects for whom it is intended. This approach will help improve the quality of legislation, prevent conflicts in the settlement of legal relations, including relations on the cultivation and processing of agricultural raw materials for biofuel production. Therefore, given the above material, the following conclusions should be drawn and suggestions made:

Subjects of agrarian law that enter into legal relations concerning the cultivation and processing of agricultural raw materials for the production of biofuels are economic entities of various organizational and legal forms, as well as public authorities and local governments exercising statutory powers in the field of cultivation and processing of agricultural raw materials for biofuel production.

Entities of legal entities entering into legal relations for the cultivation and processing of agricultural raw materials for biofuel production should be classified according to the criterion of the method of establishing and forming the statutory fund into cooperatives, corporate and unitary, and according to the criterion of scope - carry out cultivation of agricultural raw materials for the production of biofuels, entities that provide services in the field of cultivation and processing of agricultural raw materials for the production of biofuels, and entities that process agricultural raw materials and produce biofuels.

In order to establish energy cooperatives in Ukraine for the cultivation and processing of agricultural raw materials for biofuel and energy, the Law of Ukraine "On Cooperation" of July 10, 2003 should be amended and the procedure for establishing and operating an energy cooperative as a special type of cooperative. It is

proposed to recognize individuals and legal entities as members of such a cooperative, to provide for the possibility of providing services and selling goods by such a cooperative not only to its own members but also to others, and the cooperative must carry out these activities for profit.

Thus, the formation of a clear mechanism of state regulation of the bioenergy market with the help of modern tools, methods and systems of legal regulation will achieve the effective functioning of the bioenergy market. However, state regulation of the market is carried out mainly through a system of laws and regulations.

Criteria for the sustainability of biofuels should be enshrined in Ukrainian legislation, in particular, criteria for reducing greenhouse gas emissions, biomass sustainability and social sustainability of biofuels.

The application of the criterion of reducing greenhouse gas emissions in Ukraine should include the creation of technical requirements for the production and use of biofuels with the reduction of greenhouse gas emissions, the development of which should involve the Ministry of Ecology and Natural Resources.

To implement the criterion of biomass sustainability in Ukraine, it is proposed to establish a ban on growing raw materials for biofuel production on lands included in the ecological network, except as provided by law, and to establish responsibility for such actions by supplementing the Code of Administrative Offenses of Ukraine with Article 915 as follows: "Growing biomass for the production of biofuels on the lands of nature reserves, biosphere reserves, wetlands and peatlands, entails the imposition of fines on citizens from nine to twenty-four tax-free minimum incomes and officials - from fifteen to three to fifteen non-taxable minimum incomes of citizens ".

The criterion of social sustainability of biofuels in the current legislation of Ukraine provides for the obligation of producers and processors of biomass to comply with land, environmental and labor legislation.

It is proposed to introduce criteria for the sustainability of biofuels by supplementing the Law of Ukraine "On Alternative Fuels" of January 14, 2000, Art. 6-1 of the following content:

Article 6-1. Sustainability criteria for liquid fuels from biomass and biogas

intended for use in transport.

Liquid fuel from biomass, as well as biogas intended for use in the field of transport, produced and/or sold in the customs territory of Ukraine, must meet the sustainability criteria set out in parts two, three and four of this article.

Production and/or sale of liquid fuel from biomass, as well as biogas intended for use in transport, must ensure a reduction in greenhouse gas emissions of at least 50% from January 1, 2018, if these biofuels are produced at facilities put into operation until October 5, 2015 inclusive, and not less than 60%, if these types of biofuels are produced at plants put into operation after October 5, 2015. The method of calculating the reduction of greenhouse gas emissions must be approved by the central executive body, which ensures the formation and implementation of state policy in the field of environmental protection and environmental safety.

At the present stage, it is necessary to improve the quality of Ukraine's environmental policy in this area, namely to increase the share of green energy in the economy through dialogue and achieving the optimal level of public-private partnership (communication). Despite some progress in reform and all attempts to optimize the legislation governing alternative energy, this sector of the legal framework remains spontaneous, incomplete and unsystematic. After all, if we compare the legal framework of the EU and Ukraine, the declared legal documents in our country are not supported by practical steps.

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