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**PUBLIC FINANCE MANAGEMENT IN THE CONTEXT
OF SUSTAINABLE DEVELOPMENT**

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The article reviews specific features of the financial policy of sustainable development, especially its development and implementation. The priority areas of financial policy of Ukraine in the context of the goals and targets of the 2030 Agenda for sustainable development are identified. The attention on the importance of internal resources in the structure of sources of financial support the goals and objectives of sustainable development is accented. The directions of the mobilization and efficient use of public financial resources as a necessary condition for socio-economic development of Ukraine on the principles of sustainable development are suggested.

Keywords: *fiscal policy, public finances, public financial management, sustainable development, the principles of sustainable development.*

Introduction. Sustainable development is a concept that proclaims the need to establish a balance between meeting the needs of present and protect the interests of future generations. In the current socio-economic and geopolitical conditions, sustainable development is particularly relevant, especially for Ukraine, given its political, economic, social and environmental problems.

In September, 2015 in New York 193 UN member states unanimously adopted a new sustainable development Agenda for the period up to 2030, a bold global program for

sustainable future. New targets are designed to replace the Millennium Development Goals, which were valid during the last fifteen years. By its scale and significance, this Agenda is unprecedented. 17 objectives and 169 tasks, specified in it possess a complex nature, relating to the most essential problems of our time, and provide a balance of all three sustainable development pillars [1].

The implementation of the new 2030 Agenda requires the mobilization of large-scale financial resources, as discussed at the Third International Conference on Financing for

Development held in Addis Ababa in July 2015 [2]. Ukraine should join this process as well, despite all the current difficulties it is experiencing. And this is connected not only and not so much with the legal and political aspects of the issue, but with the realization that the continued existence of our and other countries as well as the humanity as a whole on planet Earth is only possible provided the solutions to all the problems that are presented in the 2030 Agenda. Therefore, the formation of a new financial policy aimed at achieving the objectives defined in this document in the field of sustainable development, is a rather relevant topic.

Analysis of recent researches and publications. The financial policy of sustainable development issues is the focus of research of leading scientists of both foreign and national schools of thought. Among the most recent publications, which address the issues concerning the formation of state`s sustainable development financial policy are the works of O. Badrak, O. Bilorus, I. Vakhovych, V. Heits, O. Korekovskiy, L. Melnyk et al. [3-8].

Previously unsettled problem constituent. At the same time, the adoption of the new Agenda for a sustainable development and its application, as well as the critical condition of almost all spheres of public life in Ukraine need to intensify research issues related to the development and effective implementation of financial policies aimed at creating favorable conditions for a sustainable development of the state.

Main purpose of the article. Thus, the aim of the paper is to study the role of financial policy in promoting a sustainable development and defining its priorities in the context of the goals and objectives of the 2030 Agenda.

Results and discussions. As is known, in 1992, in Rio de Janeiro the UN Conference on Environment and Development took place, as a result of which the "Declaration on Environment and Development" and other

documents were adopted. A concept of a sustainable development, which encompasses the economic, environmental and social problems of mankind, was proclaimed at this conference.

The Implementation of the Concept on the national level is ensured by a purposeful government policy, which includes legal, financial and organizational means of addressing the relevant issues. The state`s sustainable development policy requires a definition of priorities in line with the objectives of sustainable development, taking into account a specific situation of the state and its financial capacity; by the combination of state regulation to market; promotion of qualitative changes by financing, lending logistical and monetary support, providing economic benefits of sustainable development priorities; introduction of a special monitoring sustainable development.

The State provides a sustainable development using the following ways: the development and implementation of regulatory legal acts on the transition to the principles of sustainable development; the implementation of priority national programs of socio-economic development of the country; an effective social policy implementation; defining the main directions and parameters of the real sector of the economy development, foreseeing its modernization with taking into account the environmental requirements; the creation of a system of indicators and monitoring of sustainable development; implementation of targeted financial policy in accordance with the principles of sustainable development.

The main idea of the concept of sustainable development is to ensure a high standard of living, which provides for a balanced development of the socio-economic and environmental spheres. The role of the financial regulation of sustainable development lies in the fact that, on the one hand, unsustainable financial policies may cause an imbalance of the economic system, on the other hand, the

financial system is the state regulation tool, it provides the conditions for the harmonious development of all spheres of society on the basis of redistribution of the gross domestic product.

In a general sense, the state financial policy is a state's purposeful activity in the sphere of formation, distribution and use of financial resources in order to achieve a certain goal.

The peculiarity of the sustainable development financial policy is that:

- sustainable development requires investments that will not soon give a pay-out.

At the same time, the financial markets are interested in investment with quick impact;

- sustainable development requires large investments, especially in developing countries;

- sustainable development, in contrast to the financial markets aimed at the future [7].

The development of the financial policy of sustainable development should be preceded by an assessment of its impact on sustainable development; analysis of the correspondence of the state's financial capacity to the task of sustainable development of the national socio-economic system; identifying areas for achieving stability of the financial system, which will ensure the formation of socially oriented, competitive and environmentally friendly market economy.

At the present stage of Ukraine's development, as well as other countries that have pledged to abide by the principles of sustainable development, the imperatives of financial policy are the aims and objectives that are defined in the new sustainable development agenda after the year of 2015.

Thus, the goals of sustainable development set forth in the Agenda 2030 are as follows: to put an end to the poverty in all its forms throughout the world; eliminate hunger and ensure food security and nutrition and to promote the sustainable development of agriculture; ensure a healthy lifestyle and promote the welfare for all at any age; to provide for all a comprehensive and equitable

quality education and promote learning opportunities throughout the life; to achieve a gender equality and empower all women and girls; ensure the availability and efficient use of water and sanitation for all; to ensure public access to affordable, reliable, sustainable and modern energy services; to promote a steady, comprehensive and sustainable economic growth, full and productive employment and decent work for all; to create a flexible infrastructure that contribute to a comprehensive and sustainable industrialization and encourage innovation; to reduce inequalities within and between countries; to make cities and towns open, safe, viable and sustainable; to ensure sustainable consumption and production; to take urgent measures to combat climate change and its effects; to preserve and make rational use of the oceans, seas and marine resources for sustainable development; to save and restore terrestrial ecosystems and promote their sustainable use, efficient to manage forests to combat desertification, arrest and reverse land degradation and halting the loss of biodiversity; to contribute to the creation of peaceful societies free from social barriers for sustainable development, to ensure the access to justice for all and to create effective, accountable and participatory institutions at all levels; to strengthen the means to achieve sustainable development and to intensify the work of a global partnership for sustainable development mechanisms.

It is difficult to exclude from the above objective list the item as one that is not relevant for Ukraine. This is confirmed by the content of the Decree of the President of Ukraine "On the Sustainable Development Strategy" Ukraine – 2020 ", approved in the 15th of January 2015, that is, six months before the adoption of the 2030 Agenda. In the framework of the four movement vectors, development, security, responsibility and pride, the strategy envisages the implementation of 62 reforms and the state programs development, the goals and

objectives of which are closely correlated with the goals and objectives of the 2030 Agenda.

Even the indicators of the Strategy implementation are determined, the achievement of which will create the necessary conditions for the state's sustainable development. In particular, in accordance with the requirements of this document Domestic Product (purchasing power parity) per person, that is counted by the World Bank, should rise to 16,000 US dollars by 2020; net receipts of foreign direct investment over the period of 2015-2020 according to the World Bank will exceed 40 billion US dollars; the maximum public deficit to gross domestic product, according to the calculations of the International Monetary Fund will not exceed 3%, etc.

The disadvantage of this document is that it does not determine the sources and amounts of financial resources for the application of these reforms and programs. In contrast to the Strategy, the 2030 Agenda clearly states that the world will fail to achieve its goals and objectives without revitalizing and strengthening the global partnership and the availability of the same large-scale complex of means of implementation. The tasks concerning the implementation of financial resources, which are provided within each of the sustainable development objectives have a key role in the implementation of the Agenda and are of no less importance than the other aims and objectives [1].

As already been noted, the main aim of the sustainable development strategy is to provide conditions for ensuring the harmonious functioning of the three interrelated spheres of society: economic, social and environmental as the basis for a balanced social and economic growth.

To implement the state financial policies for its successful introduction and the achievement of the priorities of socio-economic development on the principles of sustainable development it is necessary to develop a corresponding

financial mechanism as a set of methods and tools of formation and use of financial resources in order to create the financial conditions for the balanced development of economic, social and environmental components of social life.

The scale of the objectives and tasks facing the government in the field of financial support of socio-economic development on the principles of sustainable development does not allow to elaborate on the imperatively determined by the 2030 Agenda areas of financial policy in Ukraine on the main components of the sustainable development concept: economic, social, environmental. But it is necessary to name the basic goals and objectives of the financial policy of sustainable development:

- financial support to achieve the goals of sustainable development;
- rational use of financial resources;
- search for effective sources of short-term and long-term financing of sustainable development goals and objectives;
- increasing the efficiency of public financial management.

The 2030 Agenda draws attention to the need of strengthening the Global Partnership for financial support ambitious goals in the field of sustainable development. At the same time, it should be emphasized that central to achieving sustainable development goals is a state policy and the mobilization as well as the effective use of national financial resources on the basis of national ownership. Internal resources are formed in the first place and mainly due to economic growth by creating favourable conditions for it at all levels, the implementation of sound social, environmental and economic policies, including counter-cyclical fiscal policies. Enhancing the domestic public resources as the main condition for sustainable development of Ukraine provides for the need to increase budget revenues by improving the efficiency of tax policy management and the formation of a transparent

and efficient tax system, considering national circumstances.

The 2030 Agenda imposes substantial demands on state budgets and the opportunities, creates a need for the increased and more effective international support, including funding on both concessional and commercial terms. In addition, the importance of an international funding of sustainable development goals and objectives is to enhance the mobilization of additional resources from public and private sources.

Conclusions and further researches directions. The concept of sustainable development determines the need to coordinate the strategic goals of the financial development of the national socio-economic system. It is important to define the priority areas of

financial policy in the context of sustainable development goals and objectives, identifying characteristics and factors influencing its formation. The major role in the financial support of sustainable development should provide the internal financial resources and foreign direct investment. Success in the area of the development and the effective use of national financial resources for achieving the sustainable development objectives is linked primarily with the implementation of a number of reforms in all spheres of public life in Ukraine. Only by means of effective financial policy it is possible with the lowest cost and in the shortest time to reach the goals and objectives of a sustainable development set by the new Agenda.

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УПРАВЛІННЯ ДЕРЖАВНИМИ ФІНАНСАМИ В КОНТЕКСТІ СТАЛОГО РОЗВИТКУ

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У статті досліджено специфічні риси фінансової політики сталого розвитку, особливості її розробки та реалізації в Україні. Визначено пріоритетні напрями управління державними фінансами в контексті цілей і задач, визначених новим Порядком денним у сфері сталого розвитку на період до 2030 р. Акцентовано увагу на важливому значенні внутрішніх ресурсів у структурі джерел фінансового забезпечення цілей і задач сталого розвитку. Запропоновано напрями мобілізації та ефективного використання державних фінансових ресурсів як необхідної умови соціально-економічного розвитку України на принципах сталого розвитку.

***Ключові слова:** фінансова політика, державні фінанси, управління державними фінансами, сталий розвиток, принципи сталого розвитку.*

**УПРАВЛЕНИЕ ГОСУДАРСТВЕННЫМИ ФИНАНСАМИ В КОНТЕКСТЕ
УСТОЙЧИВОГО РАЗВИТИЯ**

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В статье исследованы специфические черты финансовой политики устойчивого развития, особенности ее разработки и реализации в Украине. Определены приоритетные направления управления государственными финансами в контексте целей и задач, определенных новой Повесткой дня в области устойчивого развития на период до 2030 г. Акцентировано внимание на важном значении внутренних ресурсов в структуре источников финансового обеспечения целей и задач устойчивого развития. Предложены направления мобилизации и эффективного использования государственных финансовых ресурсов как необходимого условия социально-экономического развития Украины на принципах устойчивого развития.

***Ключевые слова:** финансовая политика, государственные финансы, управление государственными финансами, устойчивое развитие, принципы устойчивого развития.*