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THE ROLE OF BUDGET PROGRAMS IN ENSURING THE INCLUSIVE DEVELOPMENT OF TERRITORIAL COMMUNITIES

In the current conditions of transformation of the public finance system of Ukraine and deepening of decentralization processes, the program-target method of budget resources management (PCM), as the basic technology of budgeting at the state, regional, and local levels, is of particular importance. Expenditures of the budgets of territorial communities for budget programs, as an important component of the PCM, are the main tool for implementing the policy of inclusive development of territorial communities.

"Inclusive development of territorial communities in the conditions of war and post-war reconstruction is a way to adapt to the challenges in the field of national security and preserve human capital left after the wave of migration, as well as a basis for the restoration of all sectors and spheres of public life, their return to peaceful functioning" [1].

The role of budget programs in ensuring inclusiveness is not only to direct funds to meet the needs of the population, but also to create mechanisms for transparency, accountability, and public participation in decision-making.

A budget program is a target set of measures coordinated on goals, objectives, results, and resources, the implementation of which is financed from the budget. Within the framework of the program-target method, the distribution of budget funds is carried out not only on an economic or departmental basis, but also on strategic priorities, which makes it possible to assess the efficiency of resource expenditure and the degree of achievement of socially significant results. This is especially important for territorial communities, as it allows them to take into account local characteristics, the needs of vulnerable groups of the population, and integrate the principles of inclusion into the budget process.

Inclusive development provides for equal access of all groups of the population to public services, the opportunity to participate in the formation, distribution, and use of resources, the creation of conditions for social sustainability, justice, resocialization, and overcoming inequalities. Budgeting technologies are a tool that allows you to convert these principles into practical solutions. In particular, through the introduction of gender-responsive budgeting (GBB), it is possible to ensure that the needs of women and men are taken into account in the formation of budget expenditures, adjust the

amount of funding depending on their impact on achieving gender equality, and increase the social efficiency of expenditures.

Participatory budget programs, or participatory budgets, also play a significant role, creating additional opportunities to involve residents in determining priorities for the development of the territory. Citizens' participation in the preparation and voting for participatory budget projects increases the legitimacy of decisions of local self-government bodies, contributes to the formation of trust in the authorities, and ensures the targeting of budget expenditures. In this aspect, budget programs are not only a financial tool, but also a communication tool for interaction between the community and local authorities.

An important area of ensuring inclusiveness is the use of a system of performance indicators of budget programs, which allows assessing not only the expenditure of financial resources, but also the results achieved in terms of inclusive development. Performance indicators reflect the volume and quality of public services provided, the level of their accessibility, and coverage of target groups, which creates opportunities for an objective assessment of the impact of budget decisions on community development.

At the same time, the practice of forming and implementing budget programs at the level of territorial communities in Ukraine reveals several problems: insufficient quality of formation of goals and objectives of programs, which sometimes leads to blurring of the expected results; a formal approach to the selection of effective indicators, when they do not reflect the real socio-economic effect; limited level of public involvement in the formation of budget programs, which reduces their inclusiveness and does not take into account the opinion of all stakeholders; the lack of digital solutions that would allow you to effectively track the progress of programs in real time.

In the context of digitalization of the economy, the use of electronic tools for managing budget programs is of particular importance. Online budget transparency platforms, electronic citizen cabinets, and integrated systems for monitoring and evaluating programs allow you to increase data openness, efficiency of analysis and feedback, as well as involve a wider range of participants in monitoring the budget process. This directly affects the efficiency of resource use and increases the level of financial stability of territorial communities.

It is also important that budget programs are the basis for risk management, because their structure allows for scenario planning and taking into account possible financial and social shocks. The presence of clearly defined goals, objectives, and resources facilitates the adaptation of programs in case of changes in external conditions, ensuring the flexibility and sustainability of the community's financial system.

Thus, budget programs play a significant role in ensuring the inclusive development of territorial communities, as they combine financial planning, social orientation of expenditures, mechanisms of citizen participation, and performance

monitoring systems. Their improvement requires the integration of the principles of transparency, accountability, innovation, and the involvement of digital technologies, which will improve the quality of local financial management and ensure the sustainable development of communities. In order to strengthen the role of budget programs in ensuring the inclusive development of territorial communities, it is necessary to take into account the goals of inclusive development of communities defined in their development strategies. For example, A. Zhukovska and T. Zheliuk propose the following goals for the inclusive development of territorial communities: "creating a safe environment for community residents, adapted to both war and peacetime conditions; ensuring the resilience of territorial communities and the cohesion of their residents; formation of an inclusive business environment; arrangement of an inclusive environment for the life of territorial communities; implementation of an inclusive approach to the process of service provision (public, educational and medical); formation and popularization of inclusive culture among residents of territorial communities; creation of a solid financial basis for the full implementation of the goals of inclusive development of territorial communities" [1].

References

1. Zhukovska, A., Zeliuk, T. (2024). Inclusive development of territorial communities in the conditions of war and post-war reconstruction. *Herald of Economics*, 4, 24–45. DOI: 10.35774/visnyk2024.04.024 [in Ukrainian].