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NEW APPROACHES TO ASSESSING THE IMPLEMENTATION OF MEASURES OF BUDGET PROGRAMS (SUBPROGRAMS) OF THE MINISTRY OF DEFENSE OF UKRAINE

New approaches to assessing the implementation of budget programs (subprograms) of the Ministry of Defense of Ukraine are proposed, aimed at determining the feasibility and effectiveness of the use of budget funds. The shortcomings of current methods are emphasized, which record only the fact of achieving effective indicators, but do not ensure full reliability of data in the processes of defense planning, budgeting and financial support.

Evaluation is considered as a process of forming an objective assessment of the effectiveness of budget programs at a certain stage of the budget cycle to support informed management decisions. It is noted that new approaches make it possible to carry out a comprehensive (quantitative and qualitative) analysis of program implementation, timely identify planning shortcomings and avoid them during the formation and implementation of defense measures.

Keywords: *assessment of budget program implementation, use of budget funds, financial resources, efficiency, risks, national security, economic security, life cycle cost financing, legal regime of martial law.*

Statement of the problem. Effective implementation of budget program (subprogram) measures of the Ministry of Defense of Ukraine (hereinafter referred to as the Ministry of Defense) is a key task in both planning and execution of the state budget, especially in conditions of limited financial resources – both in peacetime and during the legal regime of martial law.

The current approaches used by the Ministry of Defense to assess the implementation of budget program (sub-program) activities remain insufficiently sophisticated. They are mainly reduced to a simple comparison of planned and actual performance indicators and recording deviations, which provides only a superficial, simplified assessment.

Such approaches make it impossible to obtain an objective and reliable assessment of the effectiveness of the use of budget funds during the implementation of budget program (sub-program) measures, and also complicate high-quality planning for future budget periods. This, in turn, may negatively affect the timely and full implementation of measures aimed at ensuring the national security and defense of Ukraine.

Therefore, the problem of developing new approaches to assessing the implementation of measures of budget programs (subprograms) of the

Ministry of Defense, aimed at determining the feasibility and effectiveness of the use of budget funds, is relevant.

Analysis of recent research and publications.

The issue of the essence and nature of assessment has been studied by numerous scientists. In particular, M. Bedrynets, E. Ohiychuk and Ya. Kovalenko emphasize that any assessment has a retrospective character and a comprehensive approach. The term "retrospection" (from the Latin *retrospectare* – "look back") literally means turning to the past, analyzing and comprehending what has already happened [1, 2].

Researcher O. A. Prokopenko emphasizes that it is advisable to evaluate the implementation of budget programs at all stages of the budget process [3].

According to M. S. Kosyachuk, to determine the effectiveness of financial resource management, a special system of financial indicators should be developed [4].

In his position, B. S. Polovinko emphasizes that assessing the effectiveness of budget programs should be considered as a key tool for managing budget expenditures [5].

According to T. F. Ryabovolyk, assessing the innovative potential of regions in the process of clustering the national economy consists in determining and calculating a system of indicators

that characterize various aspects of the potential of regions and influence the effectiveness of management decisions aimed at increasing the level of their development [6].

According to N. A. Khrushch and L. A. Prystyupa, the components of assessing the effectiveness of financial resource management in telecommunications enterprises include principles, influencing factors, information sources, methods and techniques of analysis, assessment directions, a system of indicators, research aspects, approaches, scope and final results. All these elements are combined by a common goal of assessment and are in mutual functional connection and dependence [7].

Such scholars as Yu. O. Golynsky and L. M. Lutsiv believe that an effective way to further assess the quality of state financial control over budget execution is to entrust this process to a body or organization that is independent of the system of external and internal state financial control [8].

The purpose of the article is to develop theoretical and methodological approaches to assessing the implementation of measures of budget programs (subprograms) of the Ministry of Defense of Ukraine in view of the legal regime of martial law, which can be applied during planning and in the process of implementing budget programs (subprograms); to form new theoretical approaches to assessing the implementation of measures of budget programs (subprograms) of the Ministry of Defense of Ukraine.

Summary of the main material. The organization of the budget process in Ukraine is determined by the provisions of the Budget Code of Ukraine (hereinafter referred to as the Code). According to Article 2 of the Code, the budget process is an activity regulated by law, which includes the preparation, consideration and approval of budgets, their implementation and control over this process, as well as consideration of reports on the implementation of budgets that form the state budget system.

Within the framework of the budget process, a program-target method is used, which distinguishes the following stages:

- preparation and consideration of the Budget Declaration;
- preparation of the draft State Budget of Ukraine;
- consideration and adoption of the Law on the State Budget of Ukraine;
- budget execution, including amendments to the relevant law;

– preparation and consideration of the budget execution report, as well as adoption of a decision based on its results.

According to Art. 33 of the Code, the Ministry of Finance of Ukraine (hereinafter referred to as the Ministry of Finance) annually, together with the main administrators of state budget funds, develops a Budget Declaration in accordance with the strategic goals and priorities defined in the annual message of the President of Ukraine to the Verkhovna Rada of Ukraine, the Program of Activities of the Cabinet of Ministers of Ukraine, as well as in forecast and program documents of economic and social development. The Budget Declaration is a medium-term budget planning tool that establishes the main directions of budget policy and forms key indicators of the state budget for the medium-term period. It is the basis for developing the draft State Budget of Ukraine and forecasts of local budgets.

In addition, the Ministry of Finance prepares and, within the established deadlines, delivers to the main spending units instructions on the formation of budget proposals, as well as indicative ceilings for expenditures and loans from the state budget for the medium term. Such instructions and ceilings may contain additional financial restrictions, organizational and procedural requirements that all spending units must adhere to when preparing their own budget proposals.

The Code establishes that the assessment of the use of budget funds is carried out at each stage of the budget process, namely:

- during the preparation of draft budgets;
- during the process of considering and adopting the budget;
- during the implementation of the budget;
- during the preparation and consideration of the report on its implementation.

The mechanism for assessing the implementation of budget programs in Ukraine is aimed at ensuring transparency, increasing efficiency, rationality and targeted use of financial resources. The specified process is carried out within the framework of regulatory legal acts formed by the provisions of the Code [9], laws on the State Budget for the relevant year [10], as well as by-laws adopted by the Ministry of Finance and other state authorities.

In practice, a number of methodological approaches are used to assess the effectiveness of the use of budget funds for the implementation of budget programs. One of the key approaches is result-oriented budgeting, which involves making financial decisions based on the achievement of

specific goals, objectives and measurable results. This approach helps ensure accountability and increase the level of transparency of budget operations [11].

Another common approach is cost-benefit analysis, which allows establishing the feasibility and effectiveness of budget expenditures by comparing the incurred expenditures with the expected socio-economic effects. The application of this approach allows identifying inefficient areas of financing and optimizing the allocation of resources [12].

The introduction of these methodological approaches into the process of assessing the implementation of budget program (subprogram) measures creates opportunities for increasing the efficiency of state institutions and ensuring that resources are directed towards achieving socially significant results.

The evaluation process is based on the analysis of performance indicators of budget program (sub-program) activities in order to determine their effectiveness, establish the degree of achievement of expected results, and form a sound information base for making effective management decisions and ensuring a share of the state's economic security.

The "Big Explanatory Dictionary of the Modern Ukrainian Language" provides several definitions of the term "indicator", namely:

- evidence, proof or sign of a certain phenomenon;
- visual data on the results of activity or the course of processes;
- an event or phenomenon on the basis of which conclusions can be formed regarding the dynamics of a certain process;
- quantitative characteristic of the properties of an object or process [13].

In state institutions of Ukraine, the evaluation of the implementation of budget programs is carried out according to the program-target method, within which the corresponding performance indicators are determined in the passports of budget programs. They are divided into the following groups:

- 1) cost indicators, which characterize the volumes and structure of resources required for the implementation of budget programs;
- 2) product indicators, which are used to assess the level of achievement of the goals and objectives of budget programs;
- 3) efficiency indicators, which reflect the ratio between the volumes of goods produced (work

performed, services provided) and resource costs in terms of cost or labor;

4) quality indicators, which characterize the compliance of services provided or work performed with established standards and requirements [14].

Such approaches create a holistic methodological basis for ensuring an objective and comprehensive assessment of the effectiveness of the implementation of budget program measures.

In order to form new theoretical and methodological approaches to assessing the implementation of measures of budget programs (subprograms) of the Ministry of Defense, we will indicate the results of the implementation of these measures as financial and natural indicators.

So, let's determine the effectiveness of the implementation of the budget program (subprogram) measures.

At this stage, it is first of all advisable to establish the forecast level of effectiveness of the use of budget funds provided for the implementation of the relevant budget program (subprogram) measure. It is proposed to determine the specified indicator by the formula

$$E^{plan} = \frac{F_t^{plan}}{P_t^{plan}}, \quad (1)$$

where F_t^{plan} is the planned financing of funds for the implementation of the budget program (subprogram) measure in the planning period t (year);

P_t^{plan} is the planned result of the implementation of the budget program (subprogram) measure.

The next step is to determine the actual level of efficiency of using budget funds aimed at implementing the budget program (subprogram) measure, which is calculated using the following formula

$$E^{actual} = \frac{F_t^{actual}}{P_t^{actual}}, \quad (2)$$

where F_t^{actual} is the amount of funds actually allocated for the implementation of the budget program (subprogram) measure in the planning period t (year);

P_t^{actual} is the actual result of the implementation of the budget program (subprogram) measure in the t -th year.

The next stage is to calculate the effectiveness (E) of the budget program (subprogram) in the planning period t (year) using the formula

$$E = \frac{E^{plan}}{E^{actual}}. \quad (3)$$

In the process of making management decisions by budget administrators regarding the redistribution of budget appropriations between budget programs (subprograms) of the Ministry of Defense, there is a need to determine the indicator of the impact of risks of possible negative consequences in the event of a reduction (increase) in funding for the relevant budget program (subprogram), which is calculated using formulas (4) and (5):

$$V_r = P_f - F_{vk}, \quad (4)$$

where V_r is the cost of risk;

P_f is the planned financing of the event;

F_{vk} is the actual use of funds;

$$K_r = \frac{V_r}{F_t^{plan}}, \quad (5)$$

where K_r is the risk indicator.

In addition, as established in professional literature and regulatory acts, one of the key areas of use of financial resources is the purchase of durable and reusable goods. For such objects, there is a need to apply the indicator of financing the cost of their life cycle, the value of which can be calculated by the formula

$$P_{fvjcpz} = \frac{OV_{pz}}{VJC_{pz}}, \quad (6)$$

where OV_{pz} is the expected cost of the procurement item;

VJC_{pz} is the life cycle cost of the procurement item;

P_{fvjcpz} is the indicator of financing the life cycle cost of the procurement item.

The methodology for calculating the life cycle cost of goods, works and services for defense purposes, as well as the list of categories of such objects to which it applies, is established by the authorized central body implementing state policy in the field of defense procurement [15, 16].

The final stage is to determine the assessment of the implementation of the budget program (subprogram) according to the formula

$$O = E + K_r + P_{fvjcpz}, \quad (7)$$

where O is the assessment of the implementation of budget programs (subprograms) of the Ministry of Defense.

The above-mentioned approaches to assessing the implementation of budget program (sub-program) measures can be implemented in the activities of the Ministry of Defense in peacetime. At the same time, taking into account the current security context, they can be adapted to the specifics of functioning in the legal regime of martial law. Such a modification involves taking into account additional resource needs, relevant specifically for wartime. This is a mathematical indicator that can be used in the process of planning the need for financial resources, in particular to ensure the needs of military capability, and which is calculated by the formula

$$O_v = OP_v, \quad (8)$$

where O_v is the assessment of the implementation of budget program (subprogram) measures under martial law;

O is the assessment of the implementation of budget program (sub-program) activities in peacetime;

P_v is the indicator of necessary resources under martial law.

Therefore, the above assessment approaches can be applied during the legal regime of martial law.

Conclusions

In their totality, the application of the proposed new approaches to assessing the use of budget funds for the implementation (planning) of measures of budget programs (subprograms) of the Ministry of Defense of Ukraine makes it possible to determine not only the effectiveness of spending funds, but also to take into account such indicators as efficiency, financing of the life cycle cost of the subject of procurement, the impact of risks of implementing measures of budget programs (subprograms). In addition, these approaches will contribute to the formation of an indicator of the necessary resources to ensure the relevant capabilities of the Armed Forces of Ukraine under the legal regime of martial law, as well as to

determine the assessment of the implementation of budget programs (subprograms) of the Ministry of Defense of Ukraine under martial law and ensuring a share of the economic security of the state.

The directions of further research may be as follows:

1) studying the possibility of using the proposed approach at the strategic, operational and program-planning levels, taking into account the specifics of each phase of financial planning;

2) developing models for taking into account dynamic risks in wartime;

3) creating a toolkit for operationally taking into account changes in the intensity of risks and their impact on the performance indicators of budget programs (subprograms) in real time in conditions of active hostilities;

4) studying the possibility of automating the proposed approach by implementing it in existing IT systems of defense management to increase the accuracy, efficiency, transparency and efficiency of making management decisions;

5) assessing the impact of the effectiveness of the implementation of budget programs (subprograms) on the level of economic security of the state.

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НОВІ ПІДХОДИ ДО ОЦІНЮВАННЯ ВИКОНАННЯ ЗАХОДІВ БЮДЖЕТНИХ ПРОГРАМ (ПІДПРОГРАМ) МІНІСТЕРСТВА ОБОРОНИ УКРАЇНИ

Запропоновано нові підходи до оцінювання виконання заходів бюджетних програм (підпрограм) Міністерства оборони України, зокрема щодо доцільності та результативності витрат бюджетних коштів, спрямованих на досягнення запланованих показників бюджетних програм (підпрограм).

Сучасні методи оцінювання, які застосовуються сьогодні, є недостатньо досконалими: вони здебільшого фіксують лише факт досягнення результативних показників бюджетних програм (підпрограм) і відхилення від планових результативних показників, але не дають повної інформації щодо достовірності даних у процесах оборонного планування, бюджетування та фінансового забезпечення Збройних Сил України. Це підкреслює актуальність розроблення і запровадження нових підходів.

Оцінювання визначено як процес, результатом якого є об'єктивна оцінка ефективності бюджетних програм (підпрограм), що сформована на основі відповідних показників на певному етапі бюджетного циклу. Така оцінка сприяє створенню бази для прийняття обґрунтованих управлінських рішень щодо організації заходів за відповідною бюджетною програмою (підпрограмою), її подальшого планування та фінансування.

Запропоновані підходи дають змогу здійснювати як якісне, так і кількісне оцінювання виконання заходів бюджетних програм (підпрограм) Міністерства оборони України, своєчасно виявляти

недоліки у плануванні та запобігати їм як під час виконання програм, так і на етапі формування перспективних заходів оборонного планування і фінансового забезпечення Збройних Сил України.

В умовах обмеженого фінансового ресурсу та повномасштабної збройної агресії російської федерації проти України застосуванням цих підходів забезпечується більша прозорість бюджетного процесу. Нові підходи дають змогу визначати (отримувати) оцінку використання коштів для виконання (планування) заходів бюджетних програм (підпрограм) Міністерства оборони України з урахуванням показників:

- ефективності виконання заходів бюджетних програм (підпрограм);
- фінансування вартості життєвого циклу предмета закупівлі;
- впливу ризиків на виконання заходів бюджетних програм (підпрограм);
- необхідних ресурсів в умовах дії правового режиму воєнного стану.

Висновлено, що нові підходи сприяють підвищенню ефективності, прозорості й обґрунтованості виконання заходів бюджетних програм (підпрограм) Міністерства оборони України.

Ключові слова: оцінювання виконання бюджетних програм, використання бюджетних коштів, фінансовий ресурс, ефективність, ризики, національна безпека, економічна безпека, фінансування вартості життєвого циклу, правовий режим воєнного стану.

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