

**I. P. Ustynova,**

Ph.D. in Law, Associate Professor

ORCID ID: <https://orcid.org/0000-0003-1112-807X>

**M. I. Uryadko,**

Master student

## INTERACTION FACTORS OF UKRAINE IN THE AREA OF INTER-STATE FINANCIAL COOPERATION

National Aviation University

Liubomyra Huzara Avenue, 1, 03680, Kyiv, Ukraine

E-mail: [ustynova1970@gmail.com](mailto:ustynova1970@gmail.com)

**Purpose:** study of legal aspects of public financial activity in Ukraine by international financial organizations, analysis of their legal status, as well as their impact on the revenues of the general fund of the State Budget of Ukraine. **Methods:** general scientific and special legal methods were used in the work. **Results:** it was concluded that Ukraine's cooperation with international financial organizations contributes to the improvement of the economic situation in the country and opens opportunities for attracting international financial resources aimed at implementing priority projects for the development of our country. **Discussion:** searching for ways to overcome existing problems in Ukraine's cooperation with international financial organizations.

**Key words:** international financial organizations; the state budget of Ukraine; subjects of financial relations; external borrowings.

**Problem setting and its relevance.** Over the past 30 years, the expansion of interstate financial organizations, the redistribution of international spheres of influence have led to a significant increase in credit and currency relations, that have caused the emergence of numerous international financial organizations, which have already occupied a special place in the set of structures that influence world economy, policy, and international relations. Today, in times of the international economic crisis, the topical issue is the creation of a strong and effective system of ensuring the interstate financial cooperation and providing the continuous functioning of the monetary and financial sphere that is a necessary factor and premise that can guarantee security and political stability at the state, regional and general levels, where the maintenance of the international financial relations is important.

### **Analysis of recent research and publications.**

International financial organizations as subjects of financial relations have been studied by such scientists as: O.I. Bereslavska, O.I. Dunas, T.V. Zaplitna, S.V. Mytsiuk, O.M. Nakonechnyi, A.A. Oliinyk, O.S. Peradii, K.A. Semenov, M.I. Savluk, A.S. Filipenko, T.A. Cheremisova, M.A. Shvaika and others.

**Target of research.** The aim of the article is to analyze the influence and participation of international financial organizations in the implementation of public financial activities in Ukraine, to summarize the results of cooperation between Ukraine and international financial organizations.

**Article's main body.** Financial legal relations are public relations, the participants of which are holders of legal rights and responsibilities in the field of mobilization, distribution, redistribution and use of centralized and decentralized funds. As for international financial relations, it is the relationship between subjects of different countries -

governments, companies and individuals - over the concentration and redistribution of money resources in the world financial market in order to achieve continuity and profitability of national production. In the theory of financial law, the subjects of financial relations are persons who on the basis of financial and legal norms are their real participants and it is necessary to make a distinction between the subjects of financial legal relations and the subjects of financial law. The subject of financial law is the bearer of subjective rights and obligations under the law in the area of financial activities of the state, who has the opportunity to participate in legal relations [2, p. 17]. At the international level, the subjects of financial relations are various international organizations that carry out credit and financial transactions, maintain the stability of international settlements and act as an integral element of international economic relations. Currently, specialized international credit and financial organizations include: the International Monetary Fund (IMF), the World Bank Group (WBG), the Bank for International Settlements, the European Central Bank (ECB), the European Bank for Reconstruction and Development (EBRD), the European Investment Bank (EIB), the Black Sea Bank for Trade and Development, the International Organization of Supreme Audit Institutions, the Intra-European Organization of Tax Administrations [3, p. 228].

The International Monetary Fund (IMF) is a special body of the United Nations, established in 1944. It became operational in 1947. The tasks of the International Monetary Fund are to promote international trade and monetary cooperation, to support the balance of payments of IMF member countries and to provide them loans. Each country pays a certain contribution, called a quota. Quotas are consolidated cash reserves used by the IMF to provide credit. Ukraine has been a full member of the International Monetary Fund since September 3, 1992.

The World Bank (WB) comprises two organizations: the International Bank for Reconstruction and Development (IBRD) and its subsidiary, the International Development Association (IDA). The World Bank Group also includes associate members of the International Finance Corporation (IFC), the Multilateral Investment Guarantee Agency

(MIGA) and the International Center for the Settlement of Investment Disputes. As for the Bank for International Settlements (BIS), it is an interstate monetary bank established in 1930 by the central banks of England, Germany, France, Italy, Belgium and a group of American banks.

Its main function is to facilitate cooperation and settlements between central banks. The European Central Bank (ECB) began operations in 1999 with the transition of 11 EU countries to a single currency - the euro. The ECB heads the European System of Central Banks (ESCB). The European Central Bank plays a key role in the implementation of monetary policy within the European Monetary System [4, p. 8]. In turn, the International Organization of Supreme Audit Institutions is a non-governmental organization, that has a special consultative status under the United Nations Economic and Social Council, established in 1953. Its main task is to provide auditors around the world with the opportunity to exchange information on current developments in the field of auditing and the application of professional standards and best methodologies.

The Intra-European Organization of Tax Administrations is an international non-profit intergovernmental organization, activities of which are aimed to ensure cooperation and support of the activities of tax administrations in accordance with their individual needs. The purpose of the Black Sea Trade and Development Bank is to contribute effectively to the transition process in member countries, aimed at providing economic development of the region, financing and promotion of regional projects and other banking services within public and private sector projects of the member states, facilitating trade between them [3, p. 225].

That is, international financial organizations are institutions, established on the basis of interstate agreements to regulate international economic relations, including monetary, financial and credit, and that are an extensive scheme with a significant number of public and private credit elements, through which the coordination of financial connections in the world is implemented.

Today, international financial organizations are one of the most important links of the international financial system and the main source of necessary

financial resources for developing countries and countries with economies in transition [5, p. 10].

As for Ukraine, its support by international financial organizations is due to the following factors: first of all, Ukraine as a state does not actually have access to international financial markets. It can obtain external funding mainly from official sources. Secondly, the policy of fund in Ukraine, which is related to financial support, is aimed at stabilizing the socio-economic situation in Ukraine. IMF loans are used to support the national currency rate and to finance the balance of payments deficit of Ukraine and are designed to alleviate economic difficulties in the process of economic reforms that enable long-term economic growth in the country. Without a program of economic transformations, financial support from official sources does not make sense, because in this case the borrowed funds will be used only to finance current problems of payment balance, which without economic reform will only increase. In particular, due to cooperation with the IMF, our country was able to attract significant credit resources from the World Bank. That is, the main direction of using IMF credits was to provide loans to the Ministry of Finance of Ukraine to service external debt and to finance payment and trade balance deficits [6, p. 33].

Furthermore, according to the Unified State Register of International Organizations, Ukraine is a member of 80 international organizations. Ukraine's cooperation with international financial organizations began in June 1992 with the adoption of the Law of Ukraine № 2402-XII "On Ukraine's Accession to the International Monetary Fund, the International Bank for Reconstruction and Development, the International Finance Corporation, the International Development Association and the Multilateral Investment Guarantee Agency". By the law, all issues related to Ukraine's accession to these international financial institutions and organizations are decided by the Cabinet of Ministers of Ukraine, the Ministry of Finance of Ukraine and the National Bank of Ukraine as the custodian bank of the IBRD. In accordance with the Decree of the President of Ukraine of July 14, 1992 № 379/92 "On Ukraine's membership in the European Bank for Reconstruction and Development" Ukraine became a member of this international financial or-

ganization. The Resolution of the Cabinet of Ministers of Ukraine of September 13, 2002 № 1371 approved the List of central executive bodies responsible for fulfilling the obligations arising from Ukraine's membership in international organizations. In particular, the Ministry of Economic Development and Trade of Ukraine and the Ministry of Finance of Ukraine are responsible for cooperation with the European Investment Bank, the International Bank for Reconstruction and Development, the International Monetary Fund and the European Bank for Reconstruction and Development. At the same time, the Ministry of Economic Development and Trade of Ukraine is the coordinator of Ukraine's cooperation with IFOs. The practical realization of IFO-funded projects is carried out by the ministries and departments of Ukraine that are responsible for the development of certain fields (sectors) of the country's economy. The Ministry of Foreign Affairs (MFA) of Ukraine, within its powers, participates in the preparation, development and approval of international agreements on the implementation of systematic and investment projects of IFOs in Ukraine, in particular in the "Procedure for initiation, preparation and realization of projects of economic and social development of Ukraine" (Resolution of the Cabinet of Ministers of Ukraine of November 26, 2008 № 1027).

The Ministry of Foreign Affairs of Ukraine facilitates cooperation between Ukraine and the International Monetary Fund (IMF), the European Bank for Reconstruction and Development (EBRD), the World Bank (WB), the Northern Investment Bank (NIB), the Credit Institute for Reconstruction (KfW) and other IFOs. The permanent missions of the IMF, the World Bank and the EBRD successfully operate in Ukraine. The representatives of the Ministry of Foreign Affairs participate in the review of the EBRD and the World Bank project in Ukraine, encourage negotiations on international agreements between Ukraine and IFOs, help Ukrainian delegations prepare and participate in EBRD, IMF and WB meetings, etc.

Today several financial institutions take an active part in financial aid and credit, in particular, the World Bank, the European Bank for Reconstruction and Development (EBRD) and the International Finance Corporation (IFC). In addition, the Nordic

Environment Finance Corporation (NEFCO) is involved and carries out activities in the field of energy conservation and environmental protection, as well as German Credit Institute for Reconstruction (KfW) implements a program to promote small loans in crediting to existing Ukrainian enterprises and medium-sized businesses for expanding manufacture, improving the quality and range of production, increasing efficiency and creating new employment [7, p. 134].

International financial organizations, which are special subjects of financial relations in Ukraine, play an important role in supporting economic reforms in Ukraine and attracting financial resources. They are used especially for large internal economic projects, technical assistance and direct investment in Ukraine. The general direction of assistance provided by international financial institutions, meets the legitimate objectives of these organizations and supports economic reform, economic restructuring, restructuring and development of civil society in Ukraine. In addition, the implementation of investment projects involving foreign direct investment in Ukraine often attracts funding from foreign investors and countries to finance these projects. It should also be noted that borrowings and loans from international financial institutions are provided to borrowers on favorable terms, which means that they are medium- and long-term, with a grace period and low-interest rates. Considering the urgent need for capital investment felt by all sectors of the domestic economy, the possibility of attracting concessional financing is crucial for Ukraine, but the internal stock market is still unable to satisfy these needs.

Moreover, the funds of international financial organizations are revenues to the general fund of the state budget of Ukraine. For example, these are the State Commission for Attracting State Guarantees and Loans (Borrowings) and the Commission for Using State Loans (Borrowings). State: funds, received from the United Nations, NATO, the EU, the OSCE or other international organizations for participation in international peacekeeping and security operations in Ukraine; funds, received by Ukrainian foreign diplomatic missions to pay their budgets to current foreign banks accounts [8]. Also, in accordance with Art. 4 of the Law of Ukraine

"On the State Budget of Ukraine for 2021" the list of loans (borrowings) from foreign states, foreign financial institutions and international financial organizations was approved for them to be attracted by the state to the special fund of the State budget of Ukraine in 2021 for further realization of the investment projects. Based on the decision of the Cabinet of Ministers of Ukraine agreed with the Budget Committee of Verkhovna Rada of Ukraine, the Ministry of Finance of Ukraine is allowed to amend the list of the special fund of the State Budget of Ukraine in order to reflect the actual income of loans (borrowings) attracted by the state from foreign countries, foreign financial institutions and international financial organizations in 2021 for the realization of the investment projects, as well as expenses on relevant budget programs, redistribution of budget expenditures and lending from budget between such budget programs of the main administrators of state budget funds within the total amount of such loans (borrowings).

Article 6 of the mentioned law provides a state guarantee of up to 24,000,000 UAH in the following possible areas: financing and investment realization, innovations, infrastructure and other strategically important development projects that contribute to the development of the Ukrainian economy and strengthen the competitive advantages of Ukrainian enterprises [9]. In accordance with Art. 15 of the Budget Code (BC) of Ukraine, sources of budget funding are funds from government external borrowing. Thus, in conformity with part 2 of Art. 16 of the BC of Ukraine, loans (borrowings) from foreign countries, banks, and international financial organizations to implement investment programs (projects) are attracted by the State under international agreements of Ukraine and belong to the foreign government borrowings [8]. For today, Ukraine has an external debt, which is a debt of the state on funds attracted from abroad in the form of loans and borrowings of foreign banks and international financial organizations, interest paid on them, as well as funds obtained by placing government securities on international markets. Thus, according to the Ministry of Finance of Ukraine data, as of 30 September 2021, the state and state-guaranteed debt of Ukraine is UAH 2,445,520.3 billion, including: state and state-

guaranteed external debt - UAH 1,413,433.9 billion; state and state-guaranteed internal debt - UAH 1,032,086.4 9 billion [10]. Thereby, the financial indicators keep on increasing compared to the same period last year, which is not a positive trend.

**Conclusions.** Assessing all stages of development and functioning of international financial organizations, it can be undoubtedly stated that their activities play an important role in supporting economic reforms in different countries, providing the opportunity to attract favorable financial resources (for implementation of these reforms and realization of the systematic economic development projects), direct investment and technical assistance to the economy. As for Ukraine, at different periods of time, there has been an incomplete use of funds allocated by the IMF in accordance with the approved programs and lending facilities. This has a negative impact on the credit history of our country and is a significant reserve resource for financing both economic and social reforms. Therefore, Ukraine needs to pay more attention to the development and implementation of economic programs of action agreed with the IMF. It should be added that currently in relations between the international financial organizations and member states there are situations, when the economic and even political benefits of state membership in such organizations as IMFs and the World Bank Group are stifled by the disadvantages of the rough course, pursued by international organizations to achieve their goals, that are determined by constituent acts, and their strategy of cooperation with the Member State increasingly resembles interference in internal affairs and sometimes begins to contradict the national interests of the state concerning the implementation of the national strategy of its economic development. Precisely the law itself should serve as a means of regulating the economic, social and political situation in Ukraine and in the world. A comprehensive solution to the problem of cooperation between Ukraine and the IMF will contribute to the development of public finances and the improvement of the country's financial situation.

#### *Література*

1. Устинова І.П. Зовнішньоборгові зобов'язання як частина взаємодії України з між-

народними і фінансовими організаціями. *Журнал східноєвропейського права*. 2020. № 73. С. 147-154.

2. Лютік О.М., Лисак Д.С. Вплив кредитів міжнародних фінансових організацій на фінансову політику України. *Гроші, фінанси і кредит*. 2018. Вип. № 3 (65). С. 65-69.

3. Устинова І.П., Кузьмін А.Р. Правова основа взаємодії України з міжнародними фінансовими організаціями як компонентом євроінтеграції. *Наукові праці Національного авіаційного університету. Серія: Юридичний вісник «Повітряне і космічне право»*. Київ: НАУ, 2020. № 4(57). С. 96-103. DOI: <https://doi.org/10.18372/2307-9061.57.15070>

4. Бендик М.М., Рошко С.М. Стратегії та особливості діяльності міжнародних фінансових організацій в Україні. *Міжнародні економічні відносини та світове господарство*. 2020. Вип. 33. Ч. 1. С. 17-21.

5. Войтко С.В., Бородінова Ю.Ю. Взаємодія національної економіки України з міжнародними кредитно-фінансовими організаціями. URL: <https://www.inter-nauka.com/uploads/public/16075117063517.pdf> (дата звернення 01.11.2021).

6. Денисенко М.П., Поліщук М.Р., Білько М.В. Співробітництво України з міжнародними фінансовими організаціями. *Наукові праці НУХТ*. 2020. Том 26. № 1. С. 41-49.

7. Заплітна Т., Кудінова Д. Стратегії та особливості діяльності міжнародних кредитно-фінансових організацій в Україні. *Економіка та управління на транспорті*. 2018. Вип. 6. С. 132-137.

8. Бюджетний кодекс України від 08 лип. 2010 р. № 2456-VI. URL: <https://zakon.rada.gov.ua/laws/show/2456-17> (дата звернення 1.11.2021).

9. Про Державний бюджет України на 2018 рік: Закон України від 07 груд. 2017 р. № 2246-VIII. URL: <https://zakon.rada.gov.ua/laws/show/2246-19> (дата звернення 13.10.2020).

10. Офіційний сайт Міністерства фінансів України. Зовнішній державний борг України. URL: <https://index.minfin.com.ua/ua/finance/debtgov/> (дата звернення: 01.11.2021).

**References**

1. Ustynova I.P. Zovnishn'oborgovi zobov'jazannja jak chastyna vzajemodii' Ukrainy z mizhnarodnymi i finansovymi organizacijamy. *Zhurnal shidnojevropejs'kogo prava*. 2020. № 73. S. 147-154.
2. Ljutik O.M., Lysak D.S. Vplyv kredytiv mizhnarodnyh finansovyh organizacij na finansovu polityku Ukrainy. *Groshi, finansy i kredyt*. 2018. Vyp. № 3 (65). S. 65-69.
3. Ustynova I.P., Kuz'min A.R. Pravova osnova vzajemodii' Ukrainy z mizhnarodnymi finansovymi organizacijamy jak komponentom jev-rointegracij'. *Naukovi praci Nacional'nogo aviacijnogo universytetu. Serija: Jurydychnyj visnyk «Povitrijane i kosmichne pravo»*. Kyi'v: NAU, 2020. № 4(57). S. 96-103.
4. Bendyk M.M., Roshko S.M. Strategii' ta osoblyvosti dijal'nosti mizhnarodnyh finansovyh organizacij v Ukraini. *Mizhnarodni ekonomichni vidnosyny ta svitove gospodarstvo*. 2020. Vyp. 33. Ch. 1. S. 17-21.
5. Vojtko S.V., Borodinova Ju.Ju. Vzajemodija nacional'noi' ekonomiky Ukrainy z mizhnarodnymi kredytno-finansovymi organizacijamy. URL: <https://www.inter-nauka.com/uploads/public/16075117063517.pdf> (data zvernennja 1.11.2021).
6. Denysenko M.P., Polishhuk M.R., Bil'ko M.V. Spivrobitnyctvo Ukrainy z mizhnarodnymi finansovymi organizacijamy. *Naukovi praci NUHT*. 2020. Tom 26. № 1. S. 41-49.
7. Zaplitna T., Kudinova D. Strategii' ta osoblyvosti dijal'nosti mizhnarodnyh kredytnofinansovyh organizacij v Ukraini. *Ekonomika ta upravlinnja na transporti*. 2018. Vyp. 6. S. 132-137.
8. Bjudzhetnyj kodeks Ukrainy vid 08 lyp. 2010 r. № 2456-VI. URL: <https://zakon.rada.gov.ua/laws/show/2456-17> (data zvernennja 1.11.2021).
9. Pro Derzhavnyj bjudzhet Ukrainy na 2018 rik: Zakon Ukrainy vid 07 grud. 2017 r. № 2246-VIII. URL: <https://zakon.rada.gov.ua/laws/show/2246-19> (data zvernennja 13.10.2020).
10. Oficijnyj sajt Ministerstva finansiv Ukrainy. Zovnishnij derzhavnyj borg Ukrainy. URL: <https://index.minfin.com.ua/ua/finance/debtgov/> (data zvernennja: 01.11.2021).

## ЧИННИКИ ВЗАЄМОДІЇ УКРАЇНИ В СФЕРІ МІЖДЕРЖАВНОГО ФІНАНСОВОГО СПІВРОБІТНИЦТВА

Національний авіаційний університет  
проспект Любомира Гузара, 1, 03680, Київ, Україна  
E-mail: ustynova1970@gmail.com

**Мета:** дослідження правових аспектів здійснення державної фінансової діяльності в Україні міжнародними фінансовими організаціями. **Методи дослідження:** у роботі застосовувалися загальнонаукові та спеціально-юридичні методи. **Результати:** зроблено висновок, що співробітництво України з міжнародними фінансовими організаціями сприяє поліпшенню економічного становища в державі та відкриває можливості залучення міжнародних фінансових ресурсів, що спрямовані на реалізацію пріоритетних проектів задля розвитку нашої держави. **Обговорення:** аналіз правового статусу міжнародних фінансових організацій, а також їх вплив на доходи загального фонду Державного бюджету України. Міжнародні фінансові організації є однією із найважливіших ланок світової економіки та значущим джерелом фінансових ресурсів, необхідних країнам для подальшого розвитку. Забезпечення максимальної ефективності відносин держави зі Світовим банком для цільового соціально-економічного розвитку потребує ретельного аналізу взаємодії з цією структурою та перегляду принципів, форм і методів співпраці на майбутнє, з урахуванням переваг і недоліків. У зв'язку з цим постає завдання вивчити особливості фінансово-кредитних операцій міжнародних організацій, спрямованих на оптимізацію функціонування світової економіки в процесі її глобалізації. Будучи зацікавленою в отриманні зовнішніх ресурсів, які їй вкрай необхідні, Україна потрапила в залежність насамперед від Міжнародного валютного фонду (МВФ). Однак такі умови не завжди враховують конкретні інтереси країн та їх національну специфіку, що робить відносини сторін, особливо з фондом, суперечливими. Сьогодні діяльність міжнародних фінансових організацій є одним із основних факторів нестабільності української економіки та залежності всієї країни від інтересів кредиторів. Актуальність теми зростає у зв'язку з дослідженням державного боргу, оскільки в умовах сьогодення державний борг України внаслідок багатьох факторів, внаслідок певних економічних, політичних та соціальних чинників, продовжує збільшуватися в масштабах. В умовах надзвичайно гострих соціально-економічних проблем позики від міжнародних фінансових організацій використовуються переважно для покриття дефіциту бюджету.

**Ключові слова:** міжнародні фінансові організації; державний бюджет України; суб'єкти фінансових відносин; зовнішні запозичення.

Стаття надійшла до редакції 07.11.2021