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## **COUNCIL OF EUROPE: MAIN CHARACTERISTICS AND DIRECTIONS OF ACTIVITY IN THE BUDGET SPHERE**

*The global acceleration and deepening of integration processes present modern states with the need to develop an optimal model of international legal interaction, which will make it possible to most effectively introduce foreign experience into the national legal system. Ukraine is no exception - the prospect of its integration into the European Union necessitates changes in various spheres of social life - political, economic, cultural, etc. However, it should be recognized: the central element of the mechanism of such rapprochement is law, and legal integration is a key form of European integration<sup>1</sup>. That is why an essential element of the further development of the legal system of Ukraine is the achievement of a certain level of consistency of the legislation of our country and the practice of its implementation with EU law.*

*The Council of Europe, together with the states, continues to cooperate to ensure the effective implementation of the existing legal framework and strengthen the capacity of national institutions to harmonize national legislation and practice with European standards in order to promote human rights, strengthen the rule of law and ensure democratic principles of governance in the budgetary sphere.*

*The action plan will focus on the effective implementation of the existing legislative framework, part of which was prepared within the framework of the previous ones. Such support will continue to be aimed at strengthening the capacity of relevant national institutions to function effectively. These capabilities include the ability to address gender issues and facilitate constructive dialogue between the government and civil society. The Council of Europe intends to gradually expand its coverage to the entire country, including the conflict-affected territories controlled by the authorities. Special emphasis will be placed on deepening coordination and interaction between national partners representing all branches of government, as well as between specialist groups and NGOs.*

**Keywords:** *Council of Europe, budgetary sphere, regional organization, economic progress.*

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**Рада Європи: основні характеристики та напрями діяльності в бюджетній сфері**

*Досліджено правовий аналіз Ради Європи, яка є міжнародною регіональною організацією з 27 держав-членів, заснованою в 1949 році. Розгляд головної мети у фінансовій сфері Ради Європи – це досягнення найвищого рівня єдності між державами-членами з метою збереження і впровадження основних ідеалів та принципів, визнання їхнього спільного надбання, а також сприяння своєму економічному та соціальному прогресу. Ці положення закріплені в статті 1 Статуту Ради Європи. Європейська хартія місцевого самоврядування визнана одним із найважливіших міжнародних документів, прийнятих Радою Європи.*

*Глобальне прискорення та поглиблення інтеграційних процесів ставить сучасні держави перед необхідністю розробки оптимальної моделі міжнародно-правової взаємодії, яка дасть змогу найбільш ефективно запроваджувати іноземний досвід у національну правову систему. Україна не є винятком – перспектива її інтеграції до Європейського Союзу зумовлює необхідність змін у різних сферах суспільного життя – політичній, економічній, культурній тощо. Проте варто визнати: центральним елементом механізму такого зближення є право, і правова інтеграція є ключовою формою європейської інтеграції<sup>1</sup>. Тому неодмінний елемент подальшого розвитку правової системи України – це досягнення певного рівня узгодженості законодавства нашої держави та практики його імплементації з правом ЄС.*

*Рада Європи разом з державами співпрацює для забезпечення ефективної імплементації законодавчої бази та зміцнення спроможності національних інституцій гармонізувати національне законодавство та практику з європейськими стандартами з метою просування прав людини, зміцнення верховенства права та забезпечення демократичних принципів управління в бюджетній сфері.*

*План дій буде зосереджений на ефективній імплементації законодавчої бази, частина якої була під-*

готовлена в рамках попередніх. Така підтримка надалі буде спрямована на посилення спроможності відповідних національних установ для ефективного функціонування. Ці здібності охоплюють здатність вирішувати гендерні проблеми та сприяти конструктивному діалогу між урядом і громадянським суспільством. Рада Європи має намір поступово поширювати свою діяльність на всю країну, постраждалі від конфлікту території, контрольовані владою. Особливий акцент буде зроблено на поглибленні координації та взаємодії національних партнерів, які представляють усі гілки влади, а також груп спеціалістів та неурядових організацій.

**Ключові слова:** Рада Європи, бюджетна сфера, регіональна організація, економічний прогрес.

**Introduction.** The Council of Europe is an international organization founded in 1949 with the aim of promoting cooperation and human rights among its member states. It currently has 47 member states and is headquartered in Strasbourg, France.

One of the main areas of activity of the Council of Europe in the budget sphere is the promotion of good governance and transparency in public finance management. The Council of Europe has developed a number of standards and guidelines in this area, such as the European Code of Conduct on Partnership in Local Governance, the European Charter of Local Self-Government, and the European Convention on Human Rights.

In addition, the Council of Europe is involved in the monitoring and evaluation of public spending in its member states. It has established a number of bodies responsible for monitoring compliance with its standards and providing recommendations for improvement. These bodies include the European Committee of Social Rights, the Group of States against Corruption (GRECO), and the Moneyval Committee, which focuses on combating money laundering and terrorist financing.

**The aim of the article:** The Council of Europe also provides technical assistance to its member states in the budget sphere. This includes support for the development of national budget systems, training for public finance officials, and advice on improving the efficiency and effectiveness of public spending.

Overall, the Council of Europe plays an important role in promoting good governance and transparency in public finance management in its member states, and in supporting their efforts to improve the efficiency and effectiveness of their public spending.

The main material. The Council of Europe is an international regional organization of 27 member states and established in 1949. The main objective of the Council of Europe is to achieve the highest level of unity between the member states in order to preserve and implement the basic ideals and principles recognized as their common heritage, as well as to promote their economic and social progress. These provisions are enshrined in Article 1 of the CoE Statute [1].

The European Charter of Local Self-Government is recognized as one of the most important international documents adopted by the Council of Europe. Thus, in the content of this international document, namely in Art. 9 sets out the main provisions on the financial resources of local governments, which directly affects the budget sphere of each of the 27 CoE member states. It should be noted that Ukraine acceded to the European Charter of Local Self-Government on November 6, 1996, however, it was ratified only on July 15, 1997, and the official entry into force for Ukraine dates back to January 1, 1998 [2].

Thus, Article 9 of the European Charter of Local Self-Government states that the relevant local self-government bodies have the right to have their own adequate financial resources, which they can freely dispose of within their powers. The amount of such financial support of local self-government bodies follows from their powers and is enshrined in the constitutional provisions of the state or in the norms of a separate legislative act.

The financial systems that underpin the resources of local governments are sufficiently diversified and flexible and must ensure that available resources can be spent as much as possible in practice, in line with the real increase in the value of the tasks assigned to them and successfully performed. In addition, it is possible to protect the so-called financially weaker local governments by developing and implementing special budget equalization procedures or similar measures and methods to overcome the effects of uneven distribution of financial resources and financial obligations, which such local governments must perform. At the same time, this international document emphasizes that such procedures and measures implemented in the territory of a state and its administrative-territorial units should not in any way restrict the freedom of action of local governments within the powers and responsibilities provided for.

Central authorities should consult on a regular basis regarding the transfer of redistributed resources to such categories of local self-government bodies. Within the available possibilities of grants, the provision of local self-government bodies cannot be carried out for the purpose of implementing specific projects. In addition, such

material support should not be aimed at abolishing the fundamental freedom of local self-government, which gives the latter the right to pursue its own policies within the limits of its powers.

In order to obtain a loan of investment capital, local governments have the opportunity to ensure access to national capital markets within the framework of national legislation. Thus, it is possible to conclude that the European Charter of Local Self-Government directly affects the formation of fiscal policy, as well as public relations arising in this area within each individual member state [2].

Particular attention should be paid to the fact that the Council of Europe has played one of the key roles in the development of national legislation in the field of budget and tax regulation in Ukraine. Thus, back in 2010, CoE experts published conclusions on the local budget in the context of the provisions of the Budget and Tax Code of Ukraine. This was due, in particular, to the fact that despite the fact that Ukraine is a member of the European Charter of Local Self-Government, but not only the legislative principles of local self-government, including the distribution of budget funds, but constitutional, do not correspond to generally accepted established principles and principles of the Council of Europe [3].

The Council of Europe plays a coordinating role in the fiscal policy of the member states by providing its recommendations and conclusions in this area. Thus, on July 20, 2020, the CoE adopted recommendations and conclusions for 2020 on economic policy, employment and fiscal policy of member states, as well as recommendations on the euro area. Particular emphasis was placed on the fact that such recommendations enable the states of the European Union to coordinate their economic, fiscal and employment policies throughout the year and to address the economic problems faced by such states. In this regard, the CoE presented a set of draft recommendations to each country, containing policy guidelines aimed at increasing jobs and growth, while maintaining sound public finances.

The Council of Europe noted that the implementation of prudent fiscal policies by high-indebted member states can reduce them, reduce vulnerability to shocks and ensure the full functioning of automatic stabilizers in the event of a recession. On the other hand, further stimulating investment and other production costs in Member States with favorable budgetary positions will contribute to growth in the short and medium term, while helping to balance the euro area economy.

Particular attention was paid to the fact that fiscal structural reforms remain crucial for improving fiscal sustainability, capacity building, growth and ensuring effective countercyclical fiscal policies in the event of an economic downturn. Properly maintained budget accounts, combined with regular territorial reviews of expenditures, efficient and transparent public procurement, can increase the efficiency and effectiveness of public expenditures by increasing the credibility and quality of fiscal policy.

Improving national budgets, including redirecting resources to public investment, in the context of well-developed investment strategies and green budgeting tools, can increase the impact on public budget growth, increase productivity and address the long-term challenges of the green and digital economy.

Simplification and modernization of tax systems, as well as addressing fraud, tax evasion, including through anti-aggressive tax planning, given the ongoing discussions on the inclusive framework for economic cooperation and development on the rest of the erosion and displacement base. profits are extremely important for improving the efficiency and fairness of tax systems. Ease of movement of mobile resources within the euro area is one of the cornerstones of the internal market and also increases opportunities for tax competition.

The CoE called on member states to note that structural and institutional reforms that increase competition in commodity markets promote the efficient use of resources, improve the business environment and the quality of public administrations, including the efficiency of the justice system, and play an important role in the process of building the resilience of eurozone member states. Elastic economic structures and policies can prevent so-called "shocks", have little impact on labor incomes and supply, and promote public fiscal and monetary policies, which can lead to disagreements, especially in a downturn. , creating more favorable conditions for sustainable and inclusive growth [4]. Improving the coordination and implementation of structural reforms, including those set out in these 2020 recommendations, for the Member States of the European Union could have positive consequences for the euro area as a whole.

In view of the above, it can be concluded that the CoE, as a subject of budgetary legal relations, has the authority to assess the economic policy and budget strategy of EU governments on the basis of national programs, reforms and spontaneity programs to increase jobs and growth, while maintaining sound public finances.

Today, the European community is based on the need to ensure that each state applying for EU membership conforms its current and future legislation to Community law as much as possible. As a result, various states have

a common system of not only general, but also branch principles of law, common goals and objectives in foreign policies, a single mechanism of legal regulation of social relations.

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