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Form	Centralization	Decentralization
	their own authority in taking decisions concerning the increase of revenues to some extent is limited due to uncertainty; - it may take more time, which in its turn reduces the role of local budgets in solving environmental problems.	ecological policy management. In theory, this allows local authorities to be reliable and effective in providing social services, as well as some aspects of local environmental management, since local governments do not have a systematic plan for integrated water resources management.
Control over the use of public funds in the field of environmental protection	- documentary audit only; -sometimes centralized management of scale saving.	- direct physical control at the local level complementary to documentary audit. For example, a special legal regime for the use of transport lands is necessary 1 or the implementation of a set of measures throughout the territory where potential natural sources of danger exist or environmentally hazardous activities are carried out and appropriate facilities are in operation2.

It should be mentioned that the current legislation does not allocate decentralization in the field of environmental protection. Therefore, we propose to consider it as a process of creating a mechanism aimed at improving the design, pace and extent of ecological decentralization, including the dissemination of information and direct involvement of municipal governments in eco-regulation process. At the same time, the system of intergovernmental fiscal relations requires constant adjustments for environmental impacts definition. This makes possible to create a guarantee that vital environmental services are provided at an acceptable level and to strengthen the financial base at the local level in resolving intergovernmental disproportions in the field of environmental protection.

According to modern views, the competence for making ecological decisions in public goods and services provision should be separated between different levels of executive power and local self-government in such a way as to achieve optimal allocation of resources within the country. The offer of public goods and services should include two criteria: first, the conformity of the goods and services production structure to preferences of economic entities and households; and secondly, ensuring the effective production of public goods and services, in particular in the field of the environment. Fiscal federalism in this sense serves, according to Oates W.³, as an optimizing system of “multilevel government” that involves the implementation of political, regulatory and, in fact, financial functions.

From the point of view of achieving a higher level of society well-being, the argument in favor of decentralizing in environmental problems resolution, while providing public goods, is that it seems possible to take into account local (collective

¹ Korneyev Y.V. *Yurydychnyi visnyk. Povitriyane y kosmichne pravo*, 2009, No. 3, pp 65-69. URL: http://nbuv.gov.ua/UJRN/Npnau_2009_3_17 P. 69 (in Ukrainian)

² Widodo W. Balancing Decentralization and Deconcentration: Emerging Need for Asymmetric Decentralization in the Unitary States. *Visiting Research Fellow at Graduate School of International Development (GSID)*. Nagoya University. Japan. 2009. 31p. URL: <http://www.gsid.nagoya-u.ac.jp/bpub/research/public/paper/article/174.pdf>

³ Oates W.E. Fiscal Federalism and European Union: Some Reflection. [Electronic resource] Access: <http://www.sieplib.it/sieplib/images/joomd/1398076615132.pdf>