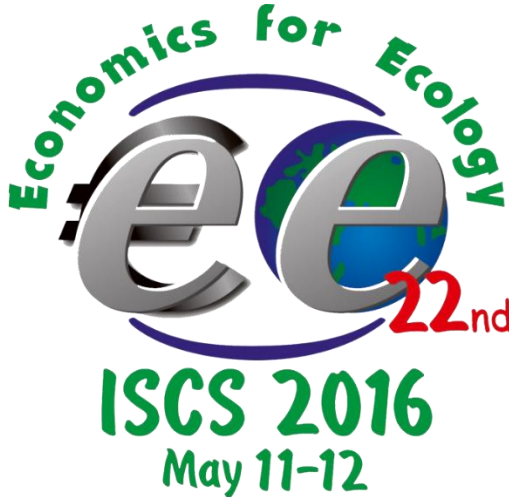


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DECENTRALIZATION OF THE NATURAL RESOURCES GOVERNANCE

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Values aspects of natural resources and environmental quality, which are the property of the Ukrainian people cause search of balance, the optimum ratio of centralization and decentralization of powers, rights and obligations that will provide sustainable nature use for satisfy existing needs and not create threats to the interests of future generations.

Decentralization is an effective approach to solving environmental problems, particularly at the local level. However, the decentralization of authority is not sufficient reason to consider that all the functions of governance of natural resources and nature use should be implemented by decentralized way at the local level. In general the main reasons for the decentralization of the public sector consists in the necessity improving its overall efficiency and effectiveness by providing local governments to improve quickness, accountability and efficiency of the administration. Decentralization is an important element of ensuring an active and significant role of local authorities in the process of local governance.

In order to properly decision of tasks of natural resource governance and nature use is necessary to differentiate that into the following – regarding each individual property owner of natural resource or by nature user, and solution of which requires collective participation by negotiations between private or public organizations or direct government intervention in the face of the central government.

Transfer of responsibility of central government for the execution of certain functions concerning natural resources and nature use to institutions at the local level determines the necessity formation of new sustainable sources of local revenues. Providing good governance of natural resources and nature use is difficult tasks for local authorities that as usually have at their disposal limited tax base in contrast to the central authorities.

Property taxes are often considered urban taxes due to the concentration in urban areas of real estate other than land, but they can be extremely important for rural communities. Taxation of agricultural land and production can be an important source of “own” revenues of local communities [3].

Decentralization of authority must be accompanied by revenue to adequately fund governance functions. It is necessary to balance revenue sources – which of them should be the exclusive available to the local authorities, and which – to come to the central budget. Revenues as intergovernmental transfers play a significant role in the budget of local communities in most countries. However in order to ensure a real local fiscal autonomy is necessary that a significant proportion of total revenues was considered “own revenues” i.e. under local control. Local taxes are an important source of revenue generated within the region [3].

The taxation of real estate (in the part of the land tax and rent) – effective local tax because the object property is fixed within the jurisdiction of a particular local authority. Only some taxes are characterized by the same advantages in the context of the predictability and stability of income, as a real estate tax. Taxation of land and real estate of agricultural enterprises and other economic entities in rural areas could become an important source of revenue of local communities [3].

Motivation and forms of decentralization in the system of governance of natural resources and nature use designed to take into account features governance of natural resources (land, water, forest) and nature use in general at the local level in the context of improving the welfare of local communities and provide: awareness of the rights of local residents, delegating to them (their representatives) governance and management functions; strengthening the participation of stakeholders; stabilization of the number of rural population; improving the efficiency of economic activities in rural areas.

Decentralization in Ukraine is defined as the transfer of significant powers and budgets from the state agencies to local governments [1].

Declared essence of transformation that offers by the reform of decentralization of power [1]: executive authorities and local governments fulfill their inherent functions; local authorities at various levels shall have the authority and corresponding to them resources; the election of local authorities in the community, district and region will provide representation local residents and responsibility for governance results.

In Ukraine, the main natural resource payments, and therefore one of the sources of well-being of local communities as owners of natural resources is the land tax. The land tax has the largest share in the revenue structure of fees for special use of natural resources in the budget of Ukraine – about 44 % in 2013. The unsatisfactory identification of the real base of land tax, revise the rates of land tax and rent, granting privileges to certain categories of landowners led to inefficiency of fiscal instruments regulating the usage of the main territorial base of the productive forces of society – land are found in the study [2]. Much of the total land fund of Ukraine not taxed or used hybrid tax and quasi fiscal instruments regulating the possession and use of land assets, which does not identify the actual database of fiscal payments for the possession and use of agricultural land, forest land and so on. Abrupt growth of revenues of the land tax to the Consolidated Budget of Ukraine, especially in the period 2007 to 2012, due to the indexation rates of land tax, revision rental rates (first of all urban area). Analysts point out that real growth of this fiscal payment to the Consolidated Budget of Ukraine did not happen [2, p. 8]. Dynamics of the structure of this fiscal payment are showed the potential for increasing financial providing communities as owners of the territorial resource. In 2013 compared to 2002, to town and village budgets have received almost twice as much the volume of land tax. Experts at this point out inflationary basis fiscal impact of the use of certain types of land assets, as evidenced by the significant gap between the rates of increasing in nominal and real value of the land tax [2].

There is considerable potential for increasing inflow of fees for special use of natural resources to local budgets in the process of decentralization, especially land tax provided real institutionalization whole bunch of ownership of the natural resources of local communities.

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BUSINESS RISKS AND OPPORTUNITIES IN THE MANAGEMENT OF ECOSYSTEM SERVICES

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Issues connected with value of ecosystems got wide discussions during recent years in context of its goods and services providing, but also improving social and economic welfare. From an economic point of view, ecosystems provide economic agents with significant advantages, or so-called "ecosystem services". For example, forests provide raw materials for wood processing industry, genetic resources give materials for breeding and genetic engineering, rivers provide freshwater for household needs, and wetlands reduce the impact of flooding and enable the development of commercial fisheries. Therefore, the degradation of ecosystems entails not only a number of risks for business activities, but will also jeopardize the position of economic agents in the market.

Degradation of ecosystems and their natural potential are very important issues for business, as economic agents can not only affect ecosystem services but fully depend on their qualitative and quantitative composition. If we talk about the use of resources such as wood, coal, the value of these ecosystem services is obvious enough. If we consider ecoservices of water purification or reduction of consequences of floods, these benefits are not often accounted in the financial statements and become apparent as soon as the service becomes scarce or disappears.

The expert assessment of the losses of the banking system of the Netherlands from investments in the agricultural sector, which directly depends on pollination, may reach billions of euros, in case of extinction of