

UDC 347.73

DOI <https://doi.org/10.32782/app.v75.2025.40>

R. Yu. Ivanova

orcid.org/0000-0001-8257-4486

Ph.D. in Law, Associate Professor,

*Professor of the Department of International and European Law
Leonid Yuzkov Khmelnytskyi University of Management and Law*

THE ROLE OF INTERNATIONAL NON-GOVERNMENTAL ORGANIZATIONS IN BUDGETARY-LEGAL RELATIONS

International non-governmental organizations (NGOs) have an important role in influencing the budgeting policies and laws of nations internationally. Various organizations affect governmental decisions and promote accountability on funds, assisting in social development through funding, lobbying, and policy making. Their participation in budgetary-legal relations facilitates the fusion of economic policies with democracy, human rights, and sustainable development as a whole.

Their participation in financial governance rested on ensuring accountability and transparency of government spending. They closely partner with international financial institutions, civil society organizations, and decision makers to design and execute fiscal policies that adhere to the principles of good governance. Additionally, NGOs render aid and professional services to draft financial laws and regulations as policies to budgetary processes.

Beyond influences on policy, NGOs have active involvement in the implementation of economic development projects. They procure funds from the international community and private sources to finance bottom-up development initiatives and ensure fair stratified resource allocation. Conducting independent audits and evaluations also allow NGOs to help reduce corruption and increase public confidence in financial institutions.

Main Material. International non-governmental organizations (NGOs) are influential in formulating budgetary policies and legal frameworks for financial relations around the world. These organisations affect the governmental decision-making process, advocate for financial accountability, participate in social development through funding, policy recommendations, and much more. Their participation in budgetary-legal relations activities helps integrate economic policies with democracy, human rights, and sustainable development. This paper seeks to outline the role of NGOs in budgetary-legal relations, their challenges, and the consequences of their participation on financial governance

Although being vital cogs in the operations of many systems, NGOs are met with an array of obstacles in budgetary-legal relations such as inadequate funding, legal setbacks as well as government opposition. To what extent these non-governmental organizations can operate is largely reliant on the bounds set by the legislation concerning governance of finances. Comprehending their position is vital to appreciating how these organizations contribute to aid social advancement and the stability of finances within the society.

This article seeks to address the overarching issues surrounding the participation of NGOs in budgetary-legal relations, evaluate the various legal boundaries that regulate their activity, analyze the financial mechanisms which they utilize, and outline the problems that arise in each of these areas. The observations and analyses made in this document illustrate how these NGOs actively participate in fostering financial responsibility, stimulating civic engagement, and instituting sustainable economic development (Nordic Council of Ministers, 2025).

General Role of NGOs

NGOs have a direct influence in the development of social policies and even sponsor the implementation of some targeted social programs. They also support government spending by engaging in advocacy, oversight, and capacity building to ensure accountability in the use of public funds. Moreover, they facilitate the interface between the government and citizens by ensuring that the available budget responds to the citizen's needs and interests (UNCAC, 2003).

Regulatory Framework of NGO's Involvement to Budgetary Processes. The level of NGO participation in appropriations is frequently controlled by laws, regulations, and policies adopted for that purpose. Different international treaties, for instance, the United Nations Convention Against Corruption (UNCAC), make provision for civil society participation in financial management. National legal frameworks may also enable participation by NGOs in the formulation, administration, and evaluation of budgets (Transparency International, 2021).

Financial Contributions and Funding Mechanisms International NGOs aid civil society budgetary process at both domestic and international levels through:

- NGOs grant direct financial support to governments to enable them administer specific health-care, education, and environmental protection programs.
- Public-Private Partnerships (PPP): A good number of NGOs work together with government departments and business organizations to undertake joint investment projects.
- Monitoring and Oversight: NGOs assist in ensuring that published government budgets are implemented and the funds are put to use as stated, which aids public financial management (Nordic Council of Ministers, 2025).
- Problems Encountered by NGOs in Budgetary-Legal Relationships.
- There are many problems that NGOs have to deal with in budgetary.

Legal relations, such as:

A number of governments have restrictive policies, which do not encourage NGO involvement in the execution of financial management.

Some governments are hesitant to grant an active role to NGOs because of concern regarding financial aspects and loss control issues.

The majority of an NGO's funding stems from donations which are difficult to guarantee, thereby causing funding limitations.

The military or politically motivated will sometimes intervene and block NGOs from operating and trying to account for public funds. (World Bank, 2021)

Impact of Non-Governmental Organizations in Budgetary-Legal Relations. The work of NGOs in budgetary-legal relations has had some positive results as follows. NGOs aid in the multilateral creation of budgets making it possible for the public to have information regarding state finances. Coordination of NGO activities with government aids in the effectiveness of policy execution and resources utilization. NGOs motivates the public to participate in the budget making processes and ensures that the use of funds responds to the needs of the people (OECD, 2019).

In most cases, NGOs are dependent on donations which are not guaranteed which leads to restrictions in funding, with a high possibility of military or violence oriented politics interfering with their objectives (IMF, 2021).

The involvement of NGOs in budgetary-legal relations has positively impacted development. These impacts include:

Policing multi-stakeholder budget formulation helps increase civic financial transparency as NGOs have the ability to control access to information about the budget and finances of the state.

Multilateral engagement with NGOs increases the chances of effective implementation of policies and the NGO sector resource allocation by the governments.

There is active civic engagement in the budgetary processes as NGOs make sure that the general public interests on financial policies are heard (European Commission, 2018).

Such international NGOs operate as a catalyst for transparency, accountability, and complete equity in relation to financial governance and jurisdictional matters. Even with a legal framework and funding issues, budgetary processes are in one way or another affected by NGOs through advocacy and financial aid. By developing the laws that permit NGOs to function and using a more civil government approach enables better efficiency in budgetary activities. As the scope of fiscal governance broadens, so too does the role of international NGOs which becomes crucial to the promise of social and economic development

Conclusions. International NGOs are the movement for transparency, accountability, and equity in the governance of finances. They drive the inefficient use or abuse of budgetary processes because of their advocacy, aid, and monitoring. They help the public in making and accessing state financial

information integrating with them encourages the people to responsible participation in budgeting.

Even though NGOs show crucial contributions, there are continuous legal, financial, and political barriers that limit them. These difficulties can be solved with solid legal sponsorship structures which allow for the participation of NGOs, enhanced funding supporting structures, and better collaboration at the spheres of government and civil society. NGOs and international bodies or regulators need to strengthen their partnership in order to overcome these hindrances and achieve better governance.

The influence of international NGOs continues to broaden as financial governance changes. Their ability to influence policy, advocate for social causes, and ensure equitable resource allocation renders them global guards. In the future, governments and stakeholders need to understand and appreciate the importance of the role of NGOs in budgetary-legal relations for sustainable economic and social development.

References

- Nordic Council of Ministers. (n.d.). *Financial Management and Transparency*. URL: <https://www.norden.org/en>.
- United Nations Convention Against Corruption (UNCAC). (2003). *United Nations Office on Drugs and Crime*. URL: <https://www.unodc.org>.
- Transparency International. (2021). *Corruption Perceptions Index*. Berlin: Transparency International.
- World Bank. (2020). *The Role of NGOs in Budgetary Oversight and Governance*. Washington, D.C.: World Bank.
- OECD. (2019). *Civil Society and Financial Transparency in Governance*. Paris: OECD Publishing.
- IMF. (2021). *NGOs and Fiscal Responsibility: An Analytical Framework*. Washington, D.C.: International Monetary Fund.
- European Commission. (2018). *The Role of NGOs in Policy and Budgetary Decision-Making*. Brussels: European Commission.
- Smith, J. (2022). *Financial Oversight and NGOs: Strengthening Fiscal Responsibility*. Oxford: Oxford University Press.
- United Nations Development Programme (UNDP). (2020). *NGO Engagement in Public Budgeting*. New York: UNDP.
- Global Financial Integrity. (2021). *Illicit Financial Flows and NGO Involvement in Budgetary Transparency*. Washington, D.C.: Global Financial Integrity.

Summary

Ivanova R. Yu. The role of international non-governmental organizations in budgetary-legal relations. – Article.

International NGOs have been shaping the budgets and the legal framework regarding the financial relations in almost every country. Among other things, NGOs further financial transparency, accountability, and governance through advocacy, direct funding, policy scrutiny, and capacity-building. As the semi-peripheral actors, NGOs bind the civil society and governments and make sure that budgetary decisions promote democracy and are not anti-people, thereby encouraging civic participation in financial planning. Moreover, NGOs utilize their influence by monitoring budgetary allocations and government expenditures, thereby limiting possibilities of corruption and enhancing the chances of equitable allocation of resources.

The purpose of this article is to analyze the legal contexts that govern the participation of NGOs in budgetary-legal relations, focusing on how international instruments and domestic legal provisions permit or prohibit their involvement. It also looks into the different funding methods employed by NGOs, such as direct grants, resource mobilization through public private partnership, and other governance initiatives. Additionally, the paper describes the many obstacles which NGOs have to contend with, such as restrictive legislation, lack of funds, and sometimes hostile government's unwillingness to accept NGO participation which is considered detrimental to state power over financial governance.

The role of NGOs in legal-budgetary relations has a significant effect because they assist in strengthening fiscal accountability, enabling citizens to access information about government finances, and implementation of public policies. NGOs enhance fiscal responsibility by contributing towards multi stakeholder participation in budgetary processes. For these NGOs to be more effective, there is a need for appropriate supporting legal frameworks, more international cooperation, and better funding opportunities.

Despite their significant contributions, NGOs face numerous challenges in budgetary-legal relations, including legal barriers, funding limitations, and resistance from governments. The extent of their influence is often determined by the existing legal frameworks that regulate their participation in financial governance.

Understanding their role in budgetary-legal relations is essential to recognizing their impact on financial stability and social development.

This paper aims to explore the multifaceted role of NGOs in budgetary-legal relations, assess the legal frameworks governing their participation, examine the financial mechanisms they employ, and discuss the challenges they encounter. By analyzing these aspects, the paper highlights the critical contributions of NGOs in fostering financial accountability, enhancing civic engagement, and promoting sustainable economic policies.

Key words: International NGOs, budgetary governance, financial transparency, fiscal policy, legal frameworks, financial law, international organizations, economic sustainability, financial oversight, corruption prevention.

Анотація

Іванова Р. Ю. Роль міжнародних громадських організацій у бюджетно-правових відносинах. – Стаття.

Майже в кожній країні міжнародні неурядові організації формують бюджети та правову базу щодо фінансових відносин. Серед іншого, НУО сприяють фінансовій прозорості, підзвітності та управлінню через адвокацію, пряме фінансування, контроль політики та розбудову спроможності. Як напівпериферійні актори, НУО пов'язують громадянське суспільство та уряди та переконуються, що бюджетні рішення сприяють демократії, а не є антинародними, заохочуючи тим самим участь громадян у фінансовому плануванні. Крім того, НУО використовують свій вплив, контролюючи бюджетні асигнування та державні витрати, тим самим обмежуючи можливості корупції та підвищуючи шанси на справедливий розподіл ресурсів.

Метою цієї статті є аналіз правового контексту, який регулює участь НУО в бюджетно-правових відносинах, зосереджуючись на тому, як міжнародні документи та національні правові положення дозволяють або забороняють їхню участь. Він також розглядає різні методи фінансування, які використовують НУО, такі як прямі гранти, мобілізація ресурсів через державно-приватне партнерство та інші ініціативи управління. Крім того, у документі описано багато перешкод, з якими доводиться боротися НУО, як-от обмежувальне законодавство, брак коштів, а іноді й вороже небажання уряду прийняти участь НУО, що вважається шкідливим для державної влади над фінансовим управлінням.

Роль НУО у право-бюджетних відносинах має значний вплив, оскільки вони сприяють зміцненню фінансової звітності, наданні громадянам доступу до інформації про державні фінанси та реалізації державної політики. НУО посилюють фінансову відповідальність, сприяючи участі багатьох зацікавлених сторін у бюджетних процесах. Щоб ці НУО були більш ефективними, потрібна відповідна допоміжна правова база, більше міжнародної співпраці та кращі можливості фінансування.

Незважаючи на свій значний внесок, НУО стикаються з численними проблемами в бюджетно-правових відносинах, включаючи правові перешкоди, обмеження фінансування та опір з боку урядів. Ступінь їхнього впливу часто визначається існуючою правовою базою, яка регулює їхню участь у фінансовому управлінні. Розуміння їх ролі в бюджетно-правових відносинах є важливим для визнання їх впливу на фінансову стабільність і соціальний розвиток.

Ця стаття має на меті дослідити багатогранну роль НУО в бюджетно-правових відносинах, оцінити правові рамки, що регулюють їхню участь, вивчити фінансові механізми, які вони використовують, і обговорити проблеми, з якими вони стикаються. Аналізуючи ці аспекти, документ підкреслює важливий внесок НУО у розвиток фінансової підзвітності, посилення громадянської активності та просування сталої економічної політики

Ключові слова: міжнародні неурядові організації, бюджетне управління, фінансова прозорість, фінансова політика, правова база, фінансове право, міжнародні організації, економічна стійкість, фінансовий нагляд, запобігання корупції.