Fedorchak O. V.,
PhD in Public Administration,
Associate Professor, Doctoral Student of State Administration Department,
LRIPA NAPA, Lviv

THE PUBLIC ADMINISTRATION OF INVESTMENT ACTIVITY AT THE REGIONAL LEVEL INUKRAINE:
PROBLEMS AND DIRECTIONS OF IMPROVEMENT

Problem setting: Today, investment activity at the regional level generally reflects the negative macroeconomic trends in the country, but it is also influenced by the objective social and economic conditions prevailing in the regions. So, in Ukraine there is a significant differentiation of regions by the level of their economic development. The main investment resources are concentrated in Kyiv. At the same time, there are a significant number of depressed regions in Ukraine, the level of which is over 60%. In these regions there is a decline in investment activity and worsening of socio-economic development in general. These regions are not attractive in the investment plan, unable to attract investment resources and remain economically underdeveloped. Based on this, the study of public administration of investment activity at the regional level in Ukraine is relevant and timely.

Recent research and publications analysis: The problems of the public administration of investment activity were described by many domestic scientists including: I. Blank, L. Borshch, T. Maiorova, V. Martynenko, Y. Matviishyn, M. Melnyk, A. Merzliak, A. Peresada, V. Fedorenko, O. Chemerys and others. However, it should be noted that the investment policy and mechanisms for activating the processes of attracting investments at the state and regional levels are fundamentally different. In the domestic scientific literature there are a rather limited number of publications, which examine the issues of public administration of investment activities at the regional level.
**The paper objective:** The purpose of the article is to analyze the current system of public administration of investment activity at the regional level, to specify the list of executive bodies, local self-government bodies and non-state institutions, and to determine their functions regarding the management of investment activities in order to improve the investment climate in Ukraine.

**The paper main body:** Today the public administration of investment activity at the regional level in Ukraine is carried out by various structures.

**I. Regional State Administrations.** At the regional level, according to the Law of Ukraine “On Local State Administrations”, the regulation of investment activity is carried out by a regional state administration, which belongs to the system of executive authorities in Ukraine. Regional state administrations can directly influence the investment process in a region through attracting public investment; implementation of investment development programs; making a proposal for creation of special (free) economic zones; selection of investment projects for realization on the territory of the region; assistance in obtaining permit documents for the implementation of investment projects; solving other current issues of implementation of these projects, etc.

But, at present, the activity of regional state administrations in attracting investments is limited to the presentation of investment proposals on their own websites; as well as the initiation of various economic and investment forums, on which agreements between domestic enterprises of the region and foreign investors can be concluded.

However, any investment forums in Ukraine, regardless of the level of conducting, do not lead to the implementation of real investment projects.

The main factors influencing on making an investment decision are infrastructure development, the speed of capital turnover, incomes, economic potential, and the level of enterprises profitability. Even if the region can be attractive from the point of view of natural conditions and cheap labor, this region often becomes unattractive for the investor in view of the low level of infrastructure development, low incomes, and lack of attractive (cheap) investment objects. In this
aspect, it should be noted the low performance of regional authorities to increase investment attractiveness of regions.

II. Regional councils. Regional councils also make decisions regarding the investment climate of the respective territory, according to the Law of Ukraine “On Local Self-Government”. However, not all regional councils set up relevant structural divisions (departments) of executive boards dealing with investment attraction.

Town, settlement and village councils also promote attracting foreign investment and carrying out investment activities in the respective territory. However, the opportunities of town, settlement and village councils (especially councils in small towns) are not enough for qualified monitoring and management not only investment processes, but also economic development in general. In the staff list of village and settlement councils often there is not even an economist position.

The actions of local authorities turn into a set of chaotic non-recurring measures to attract investors to the implementation of individual investment projects, have no strategic direction and do not contribute to the disclosure of the internal potential of the region.

III. Regional Investment and Development Centers. In 2010, there was created 27 regional investment and development centers, which were located throughout Ukraine. Centers provided comprehensive assistance to investors on a one-stop-shop basis. However, often the functions of regional investment and development centers were duplicated with the functions of the relevant investment departments of the regional state administrations. Therefore, in 2014, the regional investment and development centers were liquidated.

IV. Regional Development Agencies. Regional development agencies began to be formed in Ukraine in 2001. They perform the function of peculiar “mediators” between entrepreneurs, authorities of various levels and the public. The regional development agencies were supposed to work to find investors, prepare proposals for improving the investment climate, carry out activities aimed at promoting the region in Ukraine and abroad. But actually the agencies do not fulfill the functions of attracting investment in the region.
Conclusions: Summarizing the results of the study, we came to the following conclusions. We note that today in Ukraine there is no single authority responsible for integrated investment climate management at the regional level. Separate functions of management of the investment climate are distributed between structural subdivisions of regional state administrations and regional councils. Until recently, investment climate management functions were carried out by regional investment and development centers that were liquidated.

Part of the functions of creating an investment climate is implemented by regional development agencies. However, their powers do not ensure the implementation of a fully-fledged investment management process at the regional level.

Further research: In future research we plan to study the system of investment legislation in order to improve the investment climate at the national and regional levels.