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SYSTEM OF INVESTMENT INSTRUMENTS FOR REGIONAL DEVELOPMENT AND ITS INSTITUTIONAL SUPPORT

СИСТЕМА ІНВЕСТИЦІЙНИХ ІНСТРУМЕНТІВ РЕГІОНАЛЬНОГО РОЗВИТКУ ТА ЇЇ ІНСТИТУЦІОНАЛЬНЕ ЗАБЕЗПЕЧЕННЯ

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Горячук В.Ф., Степанов В.М., Мурзановський Г.М. Система інвестиційних інструментів регіонального розвитку та її інституціональне забезпечення. Науково-методична стаття.

Запропоновано структуру комплексної системи інвестиційних інструментів регіонального розвитку, що охоплює п'ять складових: систему інвестиційних інструментів, концептуальне, законодавчо-нормативне та фінансове забезпечення, а також системи моніторингу й оцінки ефективності. Система має тривірневу ієрархію: державний, регіональний і субрегіональний рівні. Обґрунтовано концепцію механізму державного управління інвестиціями у регіональний розвиток, основу якої становить механізм реалізації угод щодо регіонального розвитку та взаємодоповнювальні інвестиційні інструменти. Визначено економічні, соціальні та екологічні цілі механізму. Його функціонування базується на принципах субсидіарності, результативності, взаємодоповнюваності та узгодженості зі стратегіями розвитку з урахуванням децентралізації та міжнародного досвіду.

Ключові слова: інвестиції, система, інструменти, регіональний розвиток, інституціональне забезпечення, моніторинг

Goryachuk V.F., Stepanov V.M., Murzanovskyy G.M. System of Investment Instruments for Regional Development and its Institutional Support. Scientific and methodical article.

A structure of a comprehensive system of investment instruments for regional development is proposed, including five components: the system of investment instruments, conceptual, legislative and regulatory, and financial support, as well as systems for monitoring and evaluating effectiveness. The system is based on a three-level hierarchy: national, regional, and subregional levels. A concept of the mechanism of state management of investments in regional development is substantiated, the core of which is the mechanism for implementing regional development agreements and complementary investment instruments. Economic, social, and environmental objectives of the mechanism are identified. Its functioning is based on the principles of subsidiarity, effectiveness, complementarity, and consistency with development strategies, taking into account decentralization processes and international experience.

Keywords: investments, system, instruments, regional development, institutional support, monitoring

In Ukraine, there is no effective system of investment instruments for regional development. The existing institutional support for these instruments exhibits numerous shortcomings, ranging from the absence of an effective system of control over their implementation to the constant underfunding of these instruments.

Analysis of recent publications on the problem

The issue of forming a system of investment instruments for regional development has been addressed in numerous studies that examine its various aspects. Certain individual investment instruments can be identified; however, they are not interconnected. Some of them are not used at all and exist only formally [1-8].

Identification of previously unresolved parts of the general problem

The practice of developing, implementing, monitoring, and evaluating regional targeted programs and other investment instruments for regional development demonstrates that they do not constitute an effective system.

Formulation of research objectives (task setting)

The aim of the article is to develop a system of investment instruments for regional development and its institutional support.

Materials and methods

The methodological basis of the study includes the principles of systemic and institutional approaches to regional development management. The research is based on the analysis of scientific publications devoted to investment instruments for regional development and their institutional support. Methods of comparative analysis, generalization, and structural-functional analysis were used to identify shortcomings in the existing system of investment instruments and to substantiate the formation of an integrated system of investment support for regional development. The study also applies a hierarchical approach to determine the interaction between national, regional, and subregional levels of management.

Presentation of main results and their justification

According to the State Regional Development Strategy, the investment instruments for its implementation include action plans for its execution for the periods 2021–2023 and 2024–2027; regional development programs and projects; regional development strategies and action plans for their implementation; state programs for the development of cross-border cooperation and the socio-economic development of specific territories; regional development agreements, etc. [9].

In the previous State Regional Development Strategy for the period 2014–2020, the investment instruments included action plans for its implementation, action plans for the implementation of regional development strategies, regional development agreements, state programs aimed at overcoming the depressive conditions of certain territories, state programs for the development of cross-border cooperation, state targeted programs in specific areas of socio-economic development, state targeted programs for the development of particular territories, and others [10]. At the same time, it should be noted that such important instruments as regional development agreements, state programs for overcoming the depressive conditions of certain territories, state programs for the development of cross-border cooperation, and state targeted programs for the development of particular territories were either not used at all or were used only to a limited extent.

The State Regional Development Strategy for the period 2021–2027 also identifies the following as investment instruments for its implementation:

- the National Transport Strategy of Ukraine until 2030, approved by the Resolution of the Cabinet of Ministers of Ukraine of May 30, 2018, No. 430;
- the Energy Strategy of Ukraine until 2035 "Security, Energy Efficiency, Competitiveness", approved by the Resolution of the Cabinet of Ministers of Ukraine of August 18, 2017, No. 605;
- the Basic Principles (Strategy) of the State Environmental Policy of Ukraine until 2030, approved by the Resolution of the Cabinet of Ministers of Ukraine of November 8, 2017, No. 820;
- the Concept for the Implementation of State Policy in the Field of Climate Change until 2030,

approved by the Resolution of the Cabinet of Ministers of Ukraine of December 7, 2016, No. 932;

- the National Action Plan to Combat Land Degradation and Desertification, approved by the Resolution of the Cabinet of Ministers of Ukraine of March 30, 2016, No. 271;
- decisions of the Coordination Council on Combating Land Degradation and Desertification, established in accordance with the Resolution of the Cabinet of Ministers of Ukraine of January 18, 2017, No. 20, in terms of national targets for achieving land degradation neutrality;
- the State Program for the Development of the Ukrainian Carpathian Region for 2020–2022, approved by the Resolution of the Cabinet of Ministers of Ukraine of October 20, 2019, No. 880;
- the state financial support program for businesses "Affordable Loans: 5-7-9%";
- other sectoral strategies, the implementation of which ensures the development of regions and territories.

In addition, it should be noted that during the previous period of 2014–2020, more than 72 concepts and 52 strategies were adopted at the national level, while the mechanism for coordinating these documents was practically absent. Local executive authorities and local self-government bodies are often not informed about the measures implemented by central executive authorities within their respective territories. There is a need to strengthen coordination at the central level of investment instruments implemented in the regions [9].

The formation of a system of investment instruments for regional development in Ukraine is proposed to be based on the following conceptual principles:

- the State Regional Development Strategy of Ukraine until 2027 and the regional development strategies for 2021–2027 should be interconnected; specifically, the State Regional Development Strategy of Ukraine until 2027 should define development priorities for regions from the perspective of the country as a whole, which must be taken into account in the development of regional strategies;
- based on the experience of the European Union, the primary objective of the State Regional Development Strategy of Ukraine until 2027 and regional development strategies for 2021–2027 should be the reduction of disparities in the level of economic development among regions;
- the system of investment instruments for regional development should be hierarchical and correspond to the administrative-territorial structure of the country. The key components of the system should include mechanisms and instruments of a dual-purpose nature, such as regional development agreements, state regional programs (adopted at the national level and mainly financed from the state budget, but aimed at addressing the most significant regional development challenges in line with national priorities), agreements for the imple-

- the presence of a system of internal and external monitoring and evaluation of investment instruments for regional development;
- legislative and regulatory support of the system of investment instruments for regional development;
- the formation of the system of investment instruments for regional development in accordance with the principle of subsidiarity;

— financial support of the system of investment instruments for regional development, as insufficient funding remains one of the key problems.

The structure of a comprehensive system of investment instruments for regional development is proposed to be considered as a set of five components: the system of investment instruments, conceptual support, legislative and regulatory support, financial support, and systems for monitoring and evaluation of investment instruments for regional development (Fig. 1).

The system of investment instruments for regional development and its institutional support

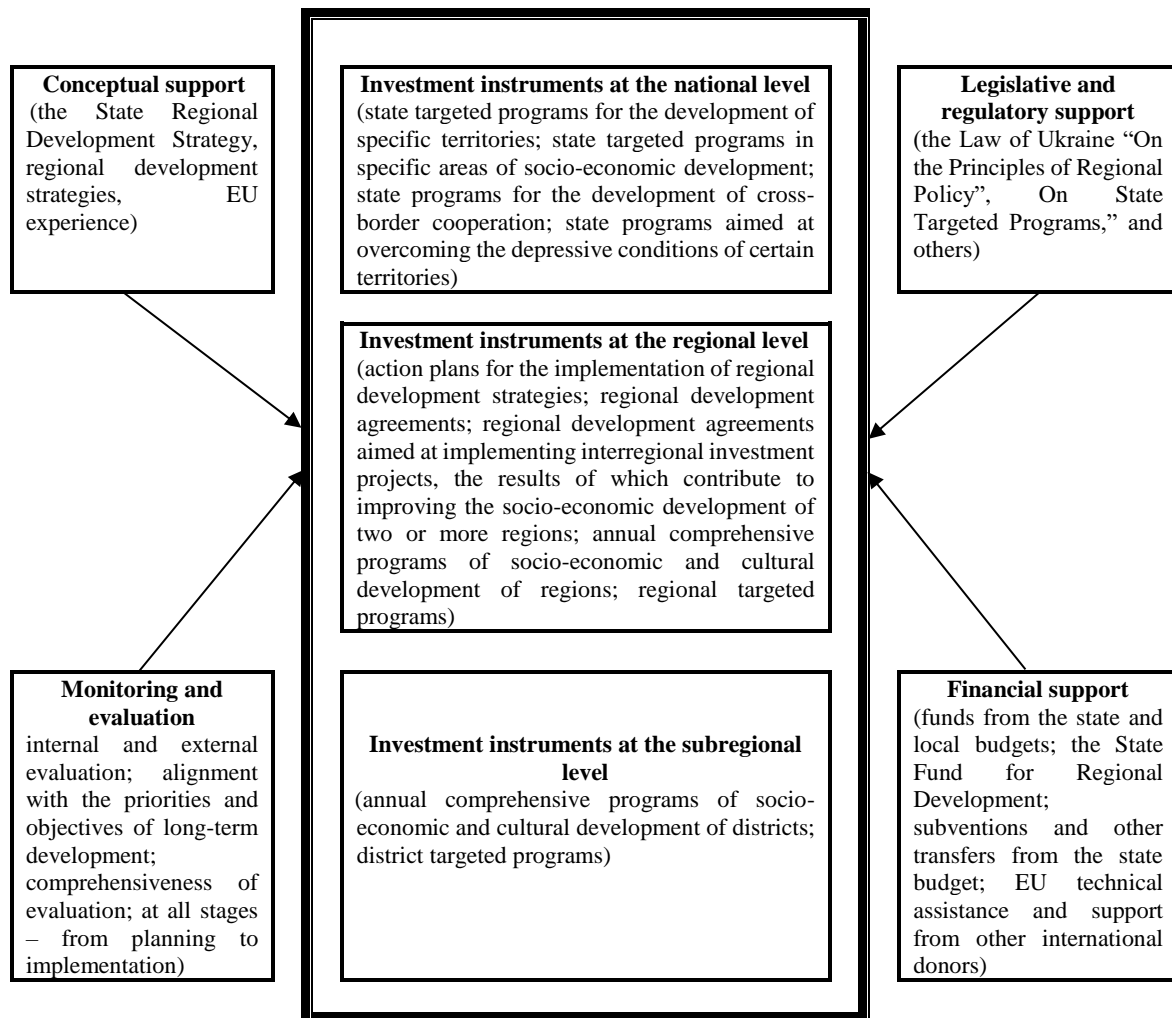


Figure 1. The system of investment instruments for regional development and its institutional support

Source: authors' own elaboration

The system of investment instruments for regional development should have a hierarchical three-level structure (national, regional, and subregional levels).

At the national level, decisions are made regarding the use of the following investment instruments:

- state targeted programs for the development of specific territories, developed with due consideration of their economic, social, and environmental characteristics, with the participation of local self-government bodies and public associations of the respective territories.

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- state targeted programs in specific areas of socio-economic development of regions, the development

of which should be carried out with the participation of local executive authorities and local self-government bodies;

- state programs for the development of cross-border cooperation, which provide for the consolidation of efforts aimed at promoting the development of Euroregions and eliminating infrastructural and administrative barriers to intensify cooperation among border territories;
- state programs aimed at overcoming the depressive conditions of certain territories. Since their legislative introduction, not a single such program has been adopted. This is largely due to the absence of transparent procedures for decision-making regarding their implementation and the imperfection of criteria for identifying depressed territories.

At the regional level, decisions are made regarding the use of the following investment instruments:

- action plans for the implementation of regional development strategies;
- regional development agreements concluded between the Cabinet of Ministers of Ukraine and the Verkhovna Rada of the Autonomous Republic of Crimea, as well as regional, Kyiv, and Sevastopol city councils, aimed at addressing regional and interregional development issues and strengthening both vertical and horizontal coordination of activities of central and local executive authorities and local self-government bodies. Since 2012, such agreements have not been used; however, they are still identified as one of the key instruments of regional development in the State Regional Development Strategies for the periods 2014–2020 and 2021–2027;
- regional development agreements aimed at the implementation of interregional investment projects, the results of which contribute to improving the socio-economic development of two or more regions [13]. This instrument has never been applied in practice;
- annual comprehensive programs of socio-economic and cultural development of regions;
- regional targeted programs.

At the subregional (district) level, decisions are made regarding the use of the following instruments:

- annual comprehensive programs of socio-economic and cultural development of districts;
- district targeted programs.

A conceptual vision of a comprehensive mechanism of public administration of investments in regional development is proposed, which presupposes the existence of a core element – the mechanism for managing the implementation process of a regional development agreement-along with a set of complementary investment instruments operating within the framework of its key directions. The mechanism also includes the definition of objectives: economic – growth of gross regional product per capita; social – improvement of the population's quality of life; environmental – preservation of the

natural environment and the rational use of its resources.

The comprehensive mechanism is based on the principles of subsidiarity, goal orientation, effectiveness, complementarity, non-duplication, and other principles, as well as alignment with the priorities of the State Regional Development Strategy and regional development strategies, consideration of the influence of the external institutional environment and the process of decentralization of power, the use of international experience, and independent evaluation (Fig. 2).

The main directions for the development of the comprehensive mechanism of public administration of investments in regional development are identified as follows: implementation of international experience in the formation of such mechanisms; increasing the effectiveness of its components; improvement of their regulatory and legal framework; delineation of the spheres and levels of their application; and enhancement of the system for evaluating regional targeted programs.

All of the above-mentioned instruments should be applied in close interaction in order to avoid duplication of measures. The core of the system of regional development instruments is formed by regional development agreements, while a number of other instruments complement it and operate within its main directions. This ensures: the possibility of widespread implementation of strategic planning for regional development; concentration of regional and state resources to address the most pressing problems; coordination of interests between executive authorities and local self-government bodies in the implementation of strategic regional development objectives; and clear definition of the obligations and responsibilities of the parties for the final outcomes [14, 15].

The effectiveness and efficiency of investment instruments for regional development largely depend on the proper definition of the objectives of a country's regional policy. The State Regional Development Strategy for the period 2021–2027 defines three main objectives:

- increasing the competitiveness of regions;
- territorial socio-economic integration and spatial development;
- effective public administration in the field of regional development [9].

According to Article 2 of the Law of Ukraine "On the Principles of Regional Policy", the purpose of state regional policy is to create conditions for the dynamic and balanced development of Ukraine and its regions, ensure their social and economic unity, improve the standard of living of the population, create safe conditions, and guarantee state-established social standards for every citizen regardless of their place of residence. However, the above-mentioned objectives are not exclusively those of regional policy; rather, they are general objectives of economic development. Among them, the specific objective of regional policy as defined in the European Union is absent.

Structure of the complex mechanism of public administration of investments in regional development

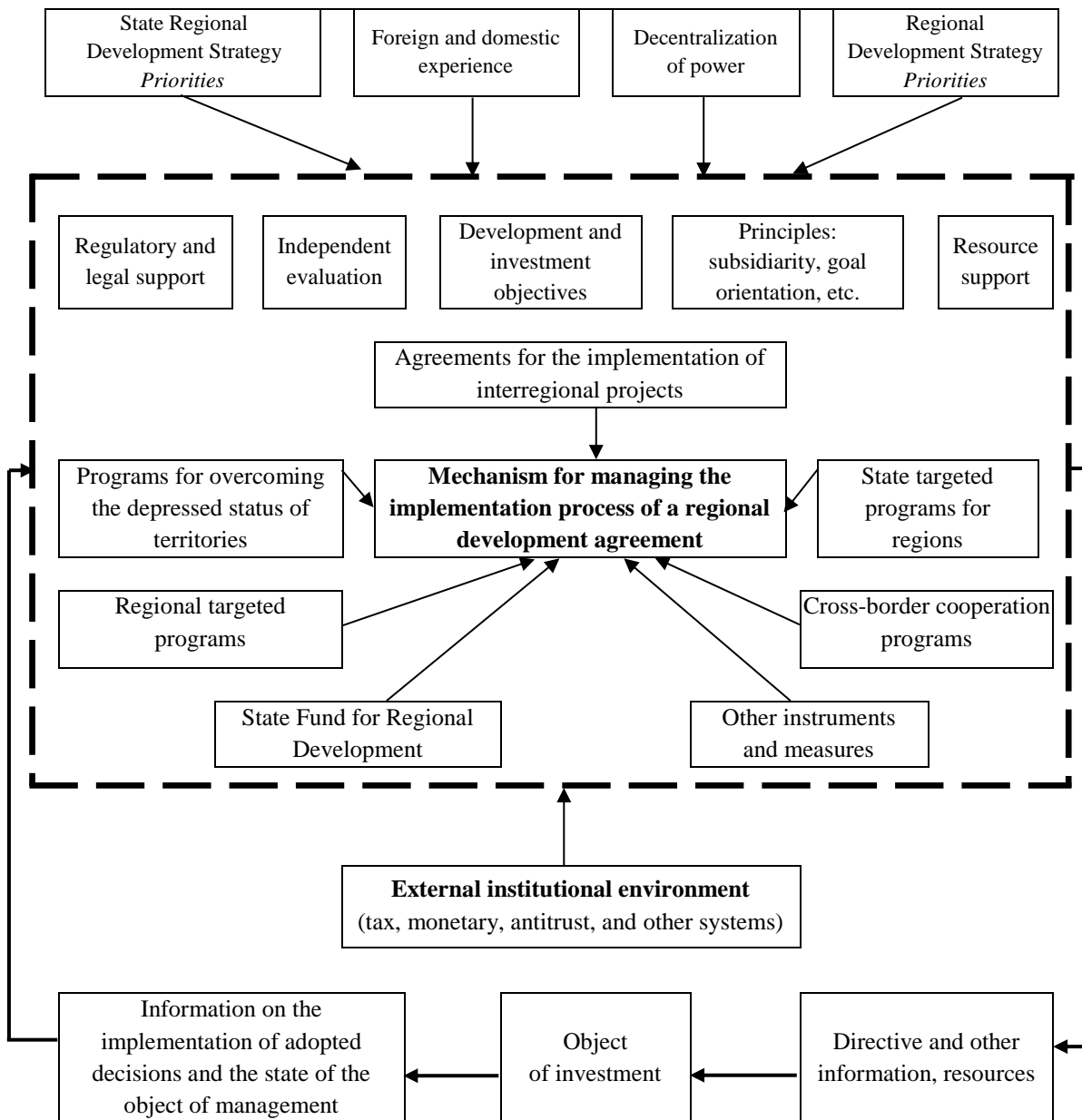


Figure 2. Conceptual vision of the comprehensive mechanism of public administration of investments in regional development
Source: authors' own elaboration

According to Article 158 of the Treaty establishing the European Community, the objective of EU regional development is "to promote the overall harmonious development of the Community and strengthen economic and social cohesion. In particular, the Community aims at reducing disparities between the levels of development of the various regions and the backwardness of the least-favoured regions" [16].

Thus, there is a discrepancy between Ukrainian legislation and European requirements in terms of defining the objectives of regional policy. At the same time, it should be noted that Ukraine's chosen path of European integration necessitates the harmonization of national and European legislation. Therefore, taking into account Ukraine's European integration course, it

is proposed to amend Article 2 of the Law of Ukraine "On the Principles of State Regional Policy", which defines the objectives of regional policy, by placing primary emphasis on reducing disparities in the level of development of regions and the backwardness of certain regions [17].

According to Article 10 of the Law of Ukraine "On the Principles of Regional Policy", the Council of Ministers of the Autonomous Republic of Crimea, regional state administrations, and the Kyiv and Sevastopol city state administrations submit draft regional development strategies to the central executive authority responsible for the formation of state regional policy in order to obtain an opinion on their compliance with established requirements, as well

as with the strategic objectives and priorities defined by the State Regional Development Strategy of Ukraine. In the absence of such an opinion, financing of regional development projects from the State Fund for Regional Development is not provided.

This implies that local self-government bodies may determine their development priorities only subject to approval by central executive authorities. Such a provision does not align with the constitutionally enshrined principle of the autonomy of local self-government and the legal status of local self-government bodies as partners (rather than subordinates) of executive authorities. Therefore, it is proposed to remove from Article 10 the provision on the non-financing of regional development projects from the State Fund for Regional Development in the absence of an opinion from the central executive authority responsible for state regional policy regarding the compliance of regional development strategies with the strategic objectives and priorities defined by the State Regional Development Strategy of Ukraine [17].

The Law of Ukraine "On the Principles of State Regional Policy" states that its purpose is the comprehensive improvement of the mechanisms for implementing state regional policy and increasing its effectiveness. First, it refers to the establishment of a three-level system of regional development strategies, which offers in addition to the development of strategies at the national and regional levels, the development of territorial community development strategies or strategic development plans of territorial communities. According to Article 7, the strategy for the development of a territorial community is classified as a document of strategic planning within state regional policy.

However, pursuant to paragraph 22 of part one of Article 26 and paragraph 16 of part one of Article 43 of the Law of Ukraine "On Local Self-Government in Ukraine", the approval of programs of socio-economic and cultural development of the respective administrative-territorial units falls within the own competences of village, settlement, city, district, and regional councils. Therefore, it is proposed to assign the approval of such strategies to village, settlement, and city councils as their own competence in Article 26 of the Law of Ukraine "On Local Self-Government in Ukraine" [18].

Part one of Article 16 of the Law of Ukraine "On Local Self-Government in Ukraine" provides that district, city, settlement, and village councils, within the framework of state regional policy, ensure the preparation and submission to the Council of Ministers of the Autonomous Republic of Crimea, as well as to regional, Kyiv, and Sevastopol city state administrations, of proposals aimed at taking into account the interests of the respective districts and territorial communities in the development of: (1) the draft State Regional Development Strategy of Ukraine and the action plan for its implementation; (2) regional development strategies and action plans for their implementation, as well as regional development

programs and projects aimed at the development of regions and territories requiring special state attention.

At the same time, it is not taken into account that, according to Article 141 of the Constitution of Ukraine, district councils represent the common interests of territorial communities of villages, settlements, and cities within the respective district, rather than the interests of districts as such, as stated in the law. Therefore, it is proposed to amend the first paragraph of part one of Article 16 as follows: "District, city, settlement, and village councils, within the framework of state regional policy, ensure the preparation and submission to the Council of Ministers of the Autonomous Republic of Crimea, as well as to regional, Kyiv, and Sevastopol city state administrations, of proposals aimed at taking into account, respectively, the common interests of territorial communities of the district and the interests of territorial communities" [21].

According to Article 19 of the Law of Ukraine "On Local Self-Government in Ukraine", a regional development agency may not be a budgetary institution. However, the same article provides that the founders of such agencies may include the Verkhovna Rada of the Autonomous Republic of Crimea, regional, Kyiv, and Sevastopol city councils, as well as the Council of Ministers of the Autonomous Republic of Crimea, regional, Kyiv, and Sevastopol city state administrations, while village, settlement, and city councils may also participate in their establishment. At the same time, it is stipulated that the financial and material-technical support of the agency's activities is carried out, *inter alia*, at the expense of funds and property of the founders.

In this regard, it should be noted that, according to paragraph 12 of part one of Article 2 of the Budget Code of Ukraine, budgetary institutions include state authorities, local self-government bodies, as well as organizations established by them in accordance with the law and fully financed from the state or local budgets. Therefore, it is proposed to remove from Article 19 the provision stating that "a regional development agency may not be a budgetary institution" [19].

An important condition for the effective use of investment instruments for regional development is the existence of a system for monitoring and evaluating these instruments. The Accounting Chamber of Ukraine and the State Audit Service of Ukraine do not provide a comprehensive evaluation of programs; rather, they mainly ensure control over the targeted use of budget funds. Currently, the evaluation of investment instruments for regional development is largely focused on the degree of implementation of financing plans and program measures, which is insufficient for assessing their effectiveness and efficiency.

The problem of evaluating the effectiveness of investment instruments for regional development remains unresolved due to their complexity, the lack of necessary information, difficulties in data collection and the significant costs associated with it, as well as

the absence of clear procedures for determining performance indicators.

In this context, it is advisable to use the experience of foreign countries, where positive practices have been accumulated. First, this involves the combination of internal and external evaluation. In the United States and other countries, there are two strong centers responsible for monitoring and evaluating public programs. Executive authorities carry out internal monitoring and evaluation, while external audits of public programs are conducted by legislative bodies. At the same time, executive and legislative authorities

may evaluate programs independently of each other and potentially compete with one another (Fig. 3). Civil society organizations, as well as individual natural and legal persons, often conduct external audits of public programs due to the well-developed system of information provision. Moreover, executive and legislative authorities frequently cooperate with non-governmental organizations in the evaluation process. This contributes to improving the quality of public programs at the stage of their formulation and enables a more in-depth analysis of their implementation [20].

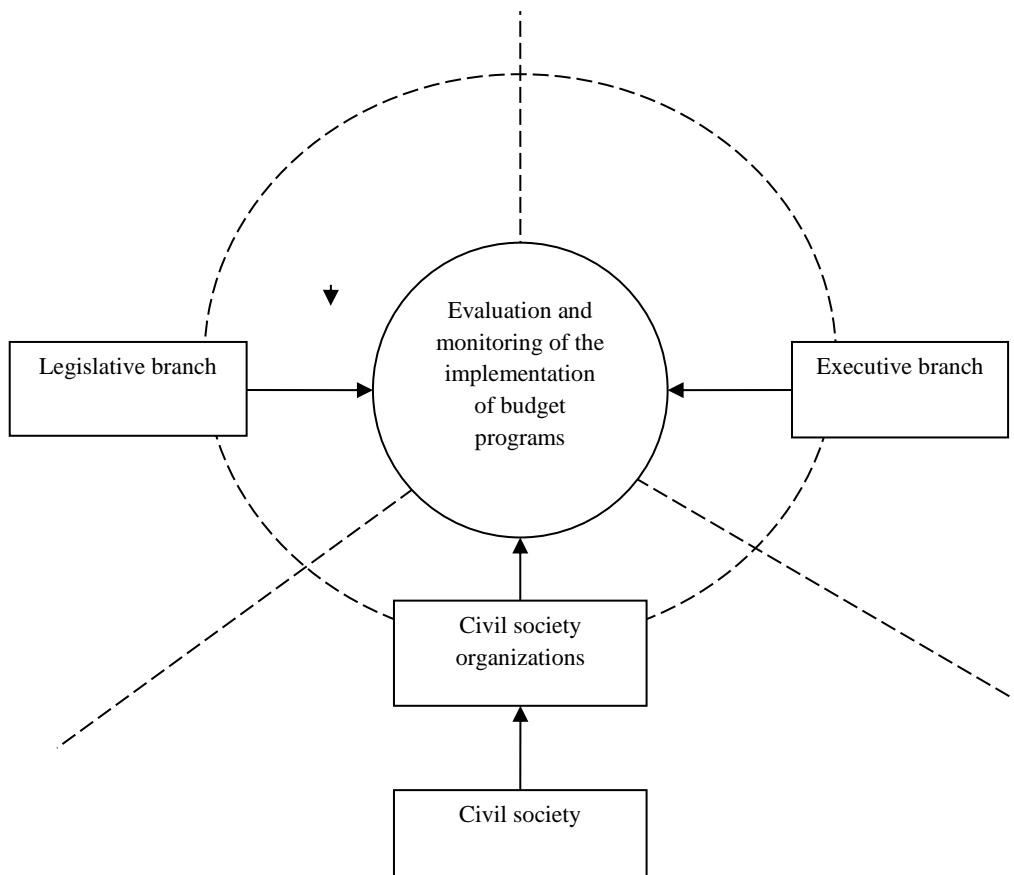


Figure 3. The system of monitoring and evaluation of budget programs in the United States
Source: elaborated by the authors based on [20]

The foundation of the system for evaluating budget programs in developed countries includes:

- alignment with the priorities and objectives of the long-term development of the state and its regions;
- comprehensiveness of evaluation, which involves covering all stages of program management, from planning to implementation;
- a rating-based evaluation system that enables a more differentiated assessment of programs according to their priority and effectiveness;
- efficiency in the use of resources during program implementation;
- achievement of socio-economic effects;
- inclusion of both quantitative and qualitative aspects in the assessment of program effectiveness;
- continuous multi-dimensional analysis of programs, including their compliance with strategic objectives, their ability to meet priority public

needs, and the existence of a clear linkage between results and the resources required to achieve them, among others.

Financial support for investment instruments for regional development is provided through:

- funds from the state budget within budget programs aimed at the development of the respective sectors in regions;
- the State Fund for Regional Development;
- subventions and other transfers from the state budget to local budgets;
- funds from local budgets;
- funds from EU technical assistance and sectoral support, as well as from other international donors and international financial organizations;
- funds from investors and the own funds of enterprises.

According to the State Regional Development Strategy, a Rural Development Fund may be used to provide financial support for specific tasks, which is to be established through appropriate amendments to the Budget Code of Ukraine.

The volumes of financing for regional development tasks are determined on the basis of proposals from central executive authorities acting as state customers of the relevant state programs, taking into account the budget allocations of the main spending units under programs defined in the State Budget of Ukraine for the respective year. These volumes are уточнюються annually in accordance with the Law on the State Budget of Ukraine for the respective year and the Budget Declaration, considering available budgetary capacities.

Currently, legislation lacks strict requirements regarding the determination of the necessary volumes of financing and control over their compliance. This has led to a weakening of the link between the budget process and the planning of activities of the Cabinet of Ministers of Ukraine, negatively affects medium-term budget planning, and reduces the overall effectiveness of public policy measures.

The imperfect regulatory and legal framework governing the management mechanism of the State Fund for Regional Development (SFRD) allows the Cabinet of Ministers of Ukraine to suspend or fail to comply with certain provisions of Article 24¹ of the Budget Code of Ukraine. This results in underfunding of the SFRD, failure to comply with the rules for the allocation of its funds among regions, and non-observance of regional development priorities.

A significant problem is the non-mandatory nature of compliance with legislative and regulatory acts concerning the financing of regional development. According to part two of Article 95 of the Constitution of Ukraine: "exclusively the law on the State Budget of Ukraine determines any expenditures of the state for general public needs, the amount and the targeted direction of such expenditures" [21].

Thus, part two of Article 95 of the Constitution of Ukraine effectively neutralizes legislative and regulatory acts that establish certain norms of financing for regional development. An example of this is the failure to comply in certain years with the provisions of the Budget Code of Ukraine regarding the formation of the State Fund for Regional Development.

Conclusions and prospects for further research

In Ukraine, there is no effective system of investment instruments for regional development. The existing institutional support for these instruments has numerous shortcomings. Individual investment instruments can be identified; however, they are not interconnected. Some of them are not used at all and exist only formally. The practice of developing, implementing, monitoring, and evaluating regional targeted programs and other investment instruments

for regional development demonstrates that they do not form an effective system.

The structure of a comprehensive system of investment instruments for regional development is proposed to be considered as a set of five components: the system of investment instruments, conceptual support, legislative and regulatory support, financial support, and systems for monitoring and evaluation of investment instruments for regional development. The system of investment instruments for regional development should have a hierarchical three-level structure (national, regional, and subregional levels).

A conceptual vision of a comprehensive mechanism of public administration of investments in regional development is proposed, which presupposes the presence of a core element—the mechanism for managing the implementation process of a regional development agreement—along with a range of complementary investment instruments operating within its key directions. The mechanism also includes the definition of objectives: economic – growth of gross regional product per capita; social—improvement of the population's quality of life; environmental – preservation of the natural environment and the rational use of its resources. The comprehensive mechanism is based on the principles of subsidiarity, goal orientation, effectiveness, complementarity, non-duplication, and other principles, as well as alignment with the priorities of the State Regional Development Strategy and regional development strategies, consideration of the influence of the external institutional environment and the process of decentralization of power, the use of international experience, and independent evaluation.

The main directions for the development of the comprehensive mechanism of public administration of investments in regional development are identified as follows: implementation of international experience in the formation of such mechanisms; increasing the effectiveness of its components; improvement of their regulatory and legal framework; delineation of the spheres and levels of their application; and enhancement of the system for evaluating regional targeted programs.

All the above-mentioned instruments should be applied in close interaction in order to avoid duplication of measures. The core of the system of regional development instruments is formed by regional development agreements, while a number of other instruments complement it and operate within its main directions. This ensures: the possibility of widespread implementation of strategic planning for regional development; concentration of regional and state resources to address the most pressing problems; coordination of interests between executive authorities and local self-government bodies in the implementation of strategic regional development objectives; and clear definition of the obligations and responsibilities of the parties for the final outcomes.

Abstract

The structure of a comprehensive system of investment instruments for regional development is proposed to be considered as an integrated set of interconnected components that ensure the effective implementation of state regional policy and stimulate balanced territorial growth. Such a system includes five key components: the system of investment instruments, conceptual support, legislative and regulatory support, financial support, and systems for monitoring and evaluating the effectiveness of investment instruments for regional development. The proposed approach allows regional investment policy to be viewed as a holistic and multi-level mechanism aimed at achieving long-term socio-economic and environmental goals.

The system of investment instruments should be based on a hierarchical three-level structure consisting of the national, regional, and subregional levels. At the national level, strategic priorities, state support programs, legal frameworks, and interregional coordination mechanisms are formed. The regional level ensures the adaptation of state priorities to the specific socio-economic conditions and resource potential of individual regions, while the subregional level focuses on the implementation of local development initiatives and projects that directly affect territorial communities. Such a hierarchy contributes to improving the coordination of investment processes and strengthening the interaction between different levels of public administration.

A holistic concept of the mechanism of state management of investments in regional development is proposed, which provides for the formation of a basic core – a mechanism for implementing agreements on regional development – and a system of complementary investment instruments operating within the priority areas of such agreements. The concept identifies three strategic groups of goals: economic goals aimed at increasing gross regional product per capita and strengthening regional competitiveness; social goals focused on improving the quality of life, employment, and social infrastructure; and environmental goals related to environmental protection, sustainable use of natural resources, and ensuring ecological balance.

The proposed mechanism is based on the principles of subsidiarity, purposefulness, effectiveness, complementarity, transparency, and avoidance of duplication of functions and financial resources. It is consistent with the priorities of state and regional development strategies and takes into account the influence of the external institutional environment, decentralization processes, opportunities for applying international experience, and the necessity of independent evaluation of the effectiveness of investment instruments and regional development programs.

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