

IMPROVEMENT OF THE SYSTEM OF INSTITUTIONAL PROVISION OF PUBLIC ADMINISTRATION IN THE FIELD OF PUBLIC-PRIVATE PARTNERSHIP IN UKRAINE

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INTRODUCTION

At the current stage of development, the main problem of institutional provision of state policy in Ukraine in the field of public-private partnership is the lack of formation of a system of institutions that should ensure effective coordination and interaction of all actors for the implementation of the tasks of state policy in this area.

It should be noted that at present in Ukraine in the field of public-private partnership there is no clear distribution of powers, the responsibilities of different branches of power at the central level, the hierarchical levels of executive power and local self-government are not clearly defined.

Looking at Ukraine's place in key international ratings, we can see that such indicators as ease of doing business, economic freedoms, tax burden, which depend on investment attraction and economic success of the country, unfortunately remain low. Some of the most well-known international ratings that reflect the economic positions of Ukraine in comparison with other countries, "The Worldwide Governance Indicators (WGI) project" of the World Bank¹ and "Legatum Prosperity Index"² are indicative. You can see the current position of Ukraine and track trends compared to previous years according to the "Legatum Prosperity Index" rating.

From the point of view of our research, the "Governance Matters" (Quality of Public Administration) indicator is of interest – a global study and its ranking of countries around the world in terms of quality and efficiency of public administration. By this indicator, Ukraine ranks 120th out of 142 countries that have fallen into this rating. This indicator is a reflection of Ukraine in the world and one of the criteria for assessing the effectiveness of the state and its institutions. On my opinion the analysis of

¹ The Worldwide Governance Indicators (WGI) project». Retrieved from <http://info.worldbank.org/governance/wgi/>.

² Legatum Prosperity Index 2015 Retrieved from <http://www.prosperity.com/#!/ranking>.

world rankings is another proof of the need to improve public institutions and public administration in the field of public-private partnership in particular.

In order to determine the current state and further ways to improve the institutional environment, it is necessary to turn to the existing legal framework and, first of all, to the Law of Ukraine "The public-private partnership"³, which gives the functions of control over the implementation of contracts concluded in the framework of public-private partnership, the central an executive body authorized by the Government of Ukraine, other state bodies and bodies of local self-government, and their officials in accordance with their authority in accordance with the procedure established by law.

According to Article 1 of the Law of Ukraine "On the Cabinet of Ministers of Ukraine", the Government of Ukraine, as the supreme body in the system of executive bodies, carries out executive power directly and through ministries, other central executive authorities, the Government of the Autonomous Republic of Crimea and local state administrations, directs, coordinates and controls the activities of these bodies. The main tasks of the Government of Ukraine are to ensure equal conditions for the development of all forms of ownership; management of objects of state property. In accordance with Article 20 of the said law, the Government of Ukraine: ensures the conduct of state economic policy; carries out, in accordance with the law of management of objects of state property, delegates in the manner established by law separate powers concerning the management of the said objects to the ministries, other central executive authorities, local state administrations and relevant economic entities; promotes the development of entrepreneurship on the basis of equality before the law of all forms of ownership and social orientation of the national economy; ensures the development and implementation of programs for structural adjustment of national economy branches and innovation development; ensures the conduct of state industrial policy, identifies priority industries requiring accelerated development.

Taking into account that one of the key mechanisms for implementing the policy of modernizing the Ukrainian economy, solving important socio-economic problems is public-private partnership, it can be argued that the Government of Ukraine is an authorized public administration

³ Закон України від 01.07.2010 р. № 2404-УІ «Про державно-приватне партнерство» [Електронний ресурс]. – Режим доступу: <http://www.president.gov.ua/documents/12134.html>.

entity that takes conceptual decisions regarding cooperation between government and business structures on a contractual basis. As a confirmation of this conclusion, one can refer to Article 13 of the Law of Ukraine "The Public-Private Partnership", according to which the decision on the implementation of the public-private partnership on state-owned objects, the conduct of the contest and the approval of the results of the competition for the definition of a private partner shall be adopted by the Government of Ukraine or an authorized body.

1. Current status of implementation of the state policy on public-private partnerships

The economic crisis and its consequences require urgent decisions to balance social and economic development, attract investment, increase productivity and create new jobs. In such circumstances, the ability to implement long-term projects in strategic areas of the country is significantly reduced, but large-scale tasks remain on the agenda. This circumstance requires the search and introduction of new opportunities and ways of cooperation between public authorities, businesses and civil society institutions. In today's conditions of reforming the Ukrainian economy, a public-private partnership is an important catalyst for the activity of creating various partner structures in the socio-economic sphere.

The practical experience of public administration in public-private partnership accumulated in Ukraine is not sufficient. The governing bodies have not put in place effective mechanisms for effective interaction with civil society institutes. There is no opportunity to exercise control over the implementation of public-private partnership projects by civil society institutions. Thus, the improvement of public policy in the field of public-private partnership is extremely necessary, and therefore research on the development of mechanisms for state regulation of interaction within the framework of public-private partnership is relevant.

Investments are one of the most important elements of economic and social development of the country. At the same time, the efficiency of investments is determined by the results of the economic activity of investment industries. It is the technical level, the ability to absorb innovation, organization of production, development of entrepreneurship determine the main impact on the investment cycle, payback and return on investment resources. A well-known fact is that there is a significant

difference between the goals of the state and business in the implementation of investment activities. Business, especially in a competitive environment, ultimately aims to make a profit. In turn, the generally accepted and priority task of a social state is the maximum growth of social welfare. However, the practical realization and the ultimate achievement of such a goal remains a controversial issue.

Public investment has a significant impact on the results of economic development, ensuring competitiveness in the long run, namely in the form of expenditures on the development of industrial infrastructure (electricity supply, water supply and drainage systems, transport and others) and social infrastructure – science, education and health. Gradually comes the understanding that through the combination of state assets with investment, management and other resources of the private sector can at the expense of synergetic effect to achieve the increase of efficiency and use of the potential that is at the disposal of society. An investment partnership between the state and the private sector, based on a combination of elements of opposing theories, comes to the forefront.

The limited nature of government spending is confirmed by many studies on determining the optimal share of budget expenditures in GDP and the impact of this indicator on the rate of economic development. Thus, the Russian scientist V. Yakunin proved that increasing public spending to a certain extent positively influences economic growth, but after its excess begins to deter it. He concludes that the highest rates of economic growth in almost all countries of the world were provided when the level of government spending was low and declined as it rises.

Providing stable dynamics and qualitative parameters of economic growth of the state depends on the developed modern infrastructure, which will meet the requirements of transition to a post-industrial society. The production of products and services that are capable of meeting market demand and the growth of the country's competitiveness by reducing the cost of goods and services and improving quality will be the result of the existence of such a perfect infrastructure.

Traditionally, the function of financing investment in infrastructure in Ukraine belonged to the state. The economic rationale for state financing was that such an infrastructure is a prerequisite for the formation of a qualitatively new investment and innovation model of Ukraine's economic development.

Due to the updated infrastructure, competition is stimulated and, as noted above, conditions are created for the production of quality goods and the provision of services that will be competitive in international markets. At the same time, there are a number of unresolved issues and problems, such as: lacking the necessary budgetary funds necessary for the expansion and modernization of infrastructure facilities, low efficiency in the design and distribution of budget investments, ensuring the targeted use of public investment, the dispersion of the priorities of state investment, institutional inability of the authorities to effectively manage investment projects. All these factors confirm the thesis of the need to review the functions of state bodies in the implementation of infrastructure projects. In particular, it should be emphasized that the following factors hinder the full utilization of opportunities to increase the investment potential of the country's economy: stretching and diverting investment budget resources, targeting investment potential for current consumption, unsystematic and inefficient use of depreciation charges.

The Law of Ukraine "The Public-Private Partnership" defines the powers of the central executive authority, which implements the state policy in the field of public-private partnership: organization of verification of implementation of contracts concluded within the framework of public-private partnership; preparation of proposals for ensuring the formation and implementation of state policy in the field of public-private partnership; monitoring of the effectiveness of the activity of executive authorities and local self-government bodies in the field of public-private partnership; development of the concept and projects of state target programs to promote the expansion of public-private partnership, taking measures for their implementation; promotion of the protection of the legitimate rights and interests of public and private partners in the process of implementing public-private partnerships; assistance in pre-trial settlement of disputes between public and private partners; monitoring, summarizing and publicizing the results of the public-private partnership implementation in the established order, including the assessment and monitoring of the overall level of risks of the state partner in the contracts concluded within the framework of the public-private partnership; monitoring compliance with the requirements of legislation in the field of public-private partnership, including during conducting tenders for the definition of a private partner; conducting

informative and explanatory and consulting work within its powers; participation in organization of training and professional development of specialists in the field of public-private partnership; keeping records of contracts concluded within the framework of public-private partnership; submission of claims for termination of contracts concluded in the framework of public-private partnership, objects of which are state-owned objects, in case of violations by private partners of the terms of such contracts; implementation of other powers stipulated by law.

According to the Decree of the President of Ukraine⁴, the Ministry of Economic Development and Trade of Ukraine has been designated by the specially authorized public-private partnership body. In addition to the Ministry of Economic Development and Trade, which acts as the main regulator and is responsible for the development of public-private partnerships, there are still a number of government agencies and agencies related to this area: the State Agency for Investment and National Projects (in the process the Ministry of Infrastructure of Ukraine, the Ministry of Energy and Coal Industry of Ukraine, the Ministry of Education and Science, Youth and Sport of Ukraine, the Ministry of Health of Ukraine, the Agency of EURO 2012, Ministry of Regional Development, Construction and Housing and Communal Services of Ukraine State Property Fund of Ukraine (in the area of privatization and state property management) sector bodies (e.g. State Agency of Ukraine roads, Seaports Administration).

On the basis of Article 13 of the Law of Ukraine "The Public-Private Partnership", local self-government bodies are also authorized persons in the field of public-private partnership, local councils decide on the implementation of public-private partnership on communal property objects, conducting a competition for identification private partner and approval of their results. The conclusion of an agreement within the framework of public-private partnership is carried out by the body that has made a decision on the implementation of public-private partnership, that is, an authorized local self-government body, and control over the implementation of such agreements is carried out by local self-government bodies and their officials in accordance with their powers in accordance with the procedure established by law.

⁴ Про Міністерство економічного розвитку і торгівлі України: Указ Президента України від 31 травня 2011 р. № 634/2011 (зі змінами) // Офіційний вісник України. – 2011. – № 41. – стор. 20. – Ст. 1666.

According to the author, at the legislative level it is necessary to oblige local self-government bodies to coordinate their activities in the field of implementation of public-private partnership projects, which provide for state support, with the relevant central executive authorities.

The analysis of the current situation of the institutional environment in public administration through public-private partnerships allows us to conclude that there are too many government agencies and almost complete lack of interagency coordination. In some cases, the definition of a public partner in the initial stage and at the stage of implementation of public-private partnership projects is complicated by the fact that separate powers and functions of state and local governments in the management of state property and assets are regulated by various normative and legal acts.

It is necessary to emphasize the significant role in support and implementation of public-private partnership projects by representatives of international organizations and programs implemented by them, such as the "Public-Private Partnership Development Program – P3DP"⁵ implemented by FHI 360 with the financial support of the US Agency International Development (USAID).

The mentioned Program works in close contact with the municipal authorities and the Ministry of Economic Development and Trade of Ukraine in four directions:

1. Improvement of the judicial system for public-private partnership. The program carries out legal analysis, participates in political discussions, contributes to the drafting of bills and advocates reforms that promote the development of public-private partnerships at the national level.

2. Supporting the activities of the National Authorized Public-Private Partnership. The National Authorized Public-Private Partnership Authority provides support to local authorities, regions and central executive bodies that implement public-private partnerships. The program builds its institutional capacity, develops instruments for monitoring public-private partnerships, and provides strategic guidance.

3. Teaching and improving information support. The program holds workshops and conferences on public-private partnerships for government officials, public sector representatives, non-governmental organizations and the general public. In addition, support is provided for strategic communications for public-private partnerships.

⁵ Програма розвитку державно-приватного партнерства – P3DP.- [Електронний ресурс]. – Режим доступу: <http://ppp-ukraine.org/en/>.

4. Development of pilot projects of public-private partnership. The program serves as an advisor on the preparation and support of pilot projects of public-private partnership throughout Ukraine provides support and advice at all stages of the development of the public-private partnership process, from conception to contract conclusion. The program has a strong reputation as a neutral mediator between the government, the private sector, non-governmental organizations and the public, which will undoubtedly help achieve concrete results.

The analysis shows that the institutional capacity of public authorities and the private sector to implement public-private partnerships is extremely low. The current situation is characterized by a low level of interpersonal trust, citizens' confidence in state authorities, public and political organizations, the lack of formation of the ideology of partnership in society, underestimation by public authorities and local self-government experts of public-private partnership projects, lack of awareness of society in the benefits and risks of implementing mechanisms public-private partnership, insufficient staffing of central authorities and local self-government ing experts in the field of public-private partnership, insufficient financing of the real economy⁶.

Taking into account the state and problems of institutional provision of public administration in the field of public-private partnership, the author proposes to analyze the world experience of the development of institutions.

Often, countries resort to the creation of specialized bodies and organizations to carry out activities in the field of public-private partnership only at those points, which makes it clear that there is no specialized, clear authority in other government bodies, that is, attempts are made to correct the existing shortcomings and failures of the state authorities in the implementation. Public-private partnership projects.

It should be noted that the functions of mechanisms for the implementation of public – private partnerships do not necessarily have to be entirely assigned to specialized structures. Thus in Great Britain the tasks in this area were solved for a long time. The technical support for such interaction was provided by the Treasury working group, while the United Kingdom Partnership was entrusted with providing support for the

⁶ Концепція розвитку державно-приватного партнерства в Україні 2012-2017 роки – [Електронний ресурс] – Режим доступу: <http://ppp-ukraine.org/wp-content/uploads/2015/03/PPP-Development-Concept-2012-2017.pdf>.

practical implementation of the project. With regard to the effectiveness of such public authorities in the field of implementation of mechanisms of public-private partnership, researchers note the dependence on the jurisdiction of such bodies and their places in the system of executive bodies of power in general. In their view, for countries with parliamentary systems of governance, the optimal model is the subordination of similar bodies to finance ministries or treasuries.

American researchers⁷ are proposing to divide the special governing bodies in the field of public-private partnerships into three main categories:

1. A consultative body or organization, which mainly carries out research and expert evaluations of a potential public-private partnership project, as well as advises the relevant state authority that makes a final decision on the possible implementation of such a project;

2. A body or organization that carries out the entire market of public-private partnerships at all stages of project implementation: from the above-mentioned research and evaluation of projects, the provision of recommendations and consultations on the implementation of such a project, promotion of the development of the market of public-private partnerships, and, often, before attracting financial resources;

3. The so-called "center of excellence", which does not provide special services in the implementation of the project in the framework of public-private partnerships, but, nevertheless, generalizes and disseminates relevant research, information and best practices. Such organizations can be a definite milestone in the creation of a body and organization that implements public-private partnership mechanisms in countries that are planning large-scale projects with the involvement of private partners to implement them in the infrastructure area and provide services.

From the point of view of the availability and status of a special government body of the state, the following public-private partnership models are proposed: a model with one special public-private partnership management body; a model with several special bodies of the state (state-public) management of public-private partnership at the level of central government; a model with the absence of special specialized bodies of state (state-public) management of public-private partnership.

⁷ Farrugia C., Reynolds T., Orr R.J. Public-Private Partnership Agencies: A Global Perspective / Collaboratory for Research on Global Projects / Working Paper № 39. – Stanford (CA, USA), 2008. – 43 p. Retrieved from http://www.nawc.org/uploads/documents-and-publications/documents/document_02445830-0b21-4f61-8b65-bad5f5989467.pdf.

In countries that are referred to a model with one special public-private partnership management body, it is envisaged to create a structure at the central government level with a special profile body of the state (state-public) public-private partnership management. Depending on the country, the status of special bodies may differ, and in some cases, such bodies are created at the regional level.

The third model includes countries in which there are no special profile state and public-public governance bodies in the area of public-private partnerships. According to the author, first of all, it is necessary to allocate Spain and Austria – two countries of the European Union, which do not have similar bodies.

In Spain, the relevant government bodies exist only at the regional level, but it should be noted that the Spanish Center for the Development of Experience and Knowledge in the Public-Private Partnership «Centro Español de excelencia y conocimiento de la colaboración público privada»⁸ has been successfully operating at the state level.

Experts in this area note that in Spain, the implementation of public-private partnership projects at the initial stage was facilitated through a multi-level structure in the territorial administration that is well suited for implementing such types of relations between the state and business. Authorities in the regions have the right independently (independently) to carry out projects, including public-private partnership projects. This enabled the projects of public-private partnership to be maximally adapted to the specific needs of the local community and create the preconditions for the development of interregional projects controlled by the central government.

There is currently no Austrian body as a public authority whose competence is to promote the development and financing of public-private partnership projects, as well as special profile legal acts that directly regulate public-private partnership relations. The legal regulation of interaction within the framework of public-private partnership projects is carried out by the general norms of the Austrian civil law⁹.

It should be noted that in Austria more often projects in the framework of public-private partnerships are implemented with the participation of local self-government bodies.

⁸ Centro Español de excelencia y conocimiento de la colaboración público privada» Retrieved from <http://www.cecopp.com>.

⁹ Elsner B. Austria // PPP in Europe. – London: CMS Legal Services EEIG, 2010. – 154 p. – Pp. 5–8.

At the federal level, the public sector in public-private partnership contracts is represented by the State Corporation "Joint Stock Company for the financing of highways and highways"¹⁰, which provides for the implementation of the design, financing, construction, maintenance and maintenance of highways, and the collection of fees for use them.

2. Ways of improving the system of institutional support for governance in 3P

The study of the feasibility of partnership in the implementation of socio-economic projects and programs is a prerequisite for the organization of mutually beneficial cooperation between state and business structures. In turn, according to the author, the feasibility of partnerships should be considered in terms of the benefits and interests of each side of the public-private partnership.

The analysis of researches of domestic scientists and the current state of economic development allows to distinguish the following advantages: possibility of better exploitation of the asset by dividing the state asset with the customers of another partner. That is, other users are able to use some state assets. Thanks to a public-private partnership, private suppliers with expertise in asset management will help the public partner identify the best ways to use and distribute government assets to third-party users; the ability of the state to use the innovations of a private partner. Through public-private partnerships, the government is able to take advantage of the opportunities offered by the private sector's innovations. Once the state has clearly explained the required service kits and the desired results in which it needs, a private partner to address these goals and innovative approaches will be introduced; the possibility of an optimal distribution of responsibilities among public and private partners. Public-private partnership projects share responsibilities between the public and private partners in accordance with the competencies of each partner. In practice, a private partner is better provided with equipment for the construction, use of assets, for solving operational issues. That is, the private partner is responsible for the stages of design, construction and operation. In turn, the state partner is responsible for defining clear requirements for the desired results and services. In other words, the key competence of the state is the

¹⁰ Erlach P. Public Private Partnerships in Austria (Approaches on PPP in City and Regional Logistics in Austria) // Retrieved from http://www.bestufs.net/download/Workshops/BESTUFS_I/Malaga_Sep02/BESTUFS_Malaga_Sep02_Dorner_Econsult_2.pdf. – 15.11.2002. – 12 p.

construction of state policy and goals, the definition of public needs; risks are redistributed among the participants in the public-private partnership. The distinction between public-private partnerships from ordinary public procurement, in which all risks are borne by the state, is the possibility of placing part of the risks on the implementation of public-private partnership projects on a private basis. This circumstance, according to researchers of public-private partnership, is a key factor in ensuring the successful implementation of public-private partnership projects and improving the efficiency and quality of resource use. But, it does not mean the transfer of the entire risk of a public partner to a private one, due to the fact that the state partner does not control them all. For example, the state should be responsible for political risks, and the private party should be responsible for the quality of construction. That is, the main rule is the following: the public or private partner must bear the risks with which he will be able to handle the best; Due to the transfer of the design, construction, maintenance and operation stages to a single private partner (or consortium), a full optimal life cycle of cost formation is provided. For this reason, the private partner will have a favorable situation with the opportunity to optimize the costs of designing to save on construction, operation or maintenance. Under conditions when conventional government deliveries with design, construction, maintenance and operation are carried out by various enterprises, this is not possible.

The above analysis allows us to conclude that, in specific countries, the institutional structures of state or public-government bodies in a public-private partnership reflect the priority objectives of these states in this area.

Organs of state or public-government management of public-private partnership at low levels of decentralization, as a rule, are subject to the relevant state body of state power. And with a fairly high level of decentralization, the governing body, as a rule, is institutionalized in the form of a private or public-private corporation. In such cases, public-state bodies of public-private partnership are often established and operate. One of the main functions of such bodies is the accumulation of all information on the experience of implementing public-private partnership projects.

When a number of state or public-government bodies in the country operate in the field of public-private partnerships, there is usually a central body with coordination functions, such as coordinating the activities of the entities involved in the process of implementing public-private partnership

projects in different areas of activity and in various government- public relations. In addition, such a central body forms the formation of a system of basic principles, mechanisms and priorities of state policy in the field of public-private partnership. To date, no country in which a public or public-state public-private partnership has been established, did not initiate reverse processes, that is, did not attempt to abandon similar governance mechanisms for public-private partnerships.

In the opinion of the author, when considering the issue of improving the system of institutional provision of public administration in the field of public-private partnership, one must pay attention to one more party, namely civil society.

It is extremely necessary to build and develop a public accountability system for public-private partnership projects, since the community itself is the ultimate consumer of services (goods). At the legislative level, it is necessary to consolidate the responsibility of public administration bodies to ensure public awareness of the value, benefits and risks of implementing public-private partnership projects in comparison with public procurement or privatization. The institutional mechanisms for using public opinion polling systems on public-private partnership projects should be clearly defined.

In the context of the above-mentioned, according to the author, "The National Strategy for the Advancement of Civil Society in Ukraine for 2016–2020" is very timely, approved by the Decree of the President of Ukraine dated February 26, 2016 No. 68/2016. According to which, one of the strategic directions of creating favorable conditions for inter-sectoral cooperation is expanding the scope of public-private partnership with the participation of civil society organizations.

Consequently, the study leads to the conclusion that in order to improve the system of institutional provision of public administration in the field of public-private partnership, consideration should be given to the formation of a favorable institutional environment for the development of partnership, in general.

It is necessary, first of all, to start with the creation of a special national body responsible for streamlining and regulating relations in the field of public-private partnership. With the advent of such a body, it will be possible to clearly define the powers of state bodies (communities and local governments) involved in the preparation and implementation of

public-private partnership projects at all stages at the central, regional and local levels.

According to the author, taking into account international experience and the current situation in Ukraine, it is necessary to speak about the creation at the level of the Government of the National Agency (State Agency, National Center) of public-private partnership. It is this subordination that will enable us to solve the problem of duplication of functions in the design and implementation of projects and will create conditions for productive cooperation with sectoral ministries and other central authorities.

An urgent task of such an institution should be the development of a mechanism for coordinating the activities and interaction of central executive authorities in implementing public-private partnership projects at the state level, as provided by the normative and legal acts of the Cabinet of Ministers of Ukraine.

At the stage of establishing such an agency it is imperative to foresee the participation of civil society institutions, academics and experts in the work of the Agency. Such cooperation will be the key to effective and socially oriented activities of the Agency at the stage of preparation and implementation of public-private partnership projects at the state and local levels. In the context of this, one of the main tasks of the Agency is to develop mechanisms for interaction with civil society organizations in order to engage the community on a permanent basis to discuss evaluate and monitor the implementation of public-private partnership projects.

Another step towards creating an effective central authority in the field of public-private partnership should be the creation of the Public Council (Board) under the Agency, which will include representatives of other central authorities, as well as representatives of civil society, local self-government, scientific and expert environment, business, etc. It is the Public Council that should become a guarantor of transparent public-private partnership policy.

The main functions of the National Public-Private Partnership Agency will be: creation of a strategy (formation of strategic directions, development of a program) for the development of public-private partnership in Ukraine; legal and organizational support for the development of public-private partnership in Ukraine; methodical and consultative support of projects, which envisages the creation of a single

register of public-private partnership contracts at the central and local levels in the regions and sectors concerned; analysis of the efficiency of public funds use and the effectiveness of public-private partnership projects; monitoring of processes and monitoring of implementation of public-private partnership projects and financial obligations; creating an effective mechanism for selecting a private partner and concluding public-private partnership agreements, standardizing these processes; information provision of the community (society) regarding the advantages and risks of implementing public-private partnership projects in comparison with other types of cooperation between the state and business (public procurement, privatization, etc.); promotion of public-private partnerships (for example, involving all process participants and consumers at the design stage and monitoring the quality of services); development of methodical guides, recommendation standards, templates of documents on compilation of tender and contract documentation.

Particular attention deserves, according to the author, the improvement of the system of institutional provision of public administration in the field of public-private partnership at the level of local self-government bodies. First of all, it is about strengthening their functions in the field of public-private partnership. Regulatory and regulatory regulation of the interaction between the Agency and local self-government bodies should provide for the right of local authorities, within the limits of their powers and the current legislation, to make a decision on the appropriateness of realization of public-private partnership projects.

It is necessary to provide for the possibility of realization of projects of public-private partnership at the local level with the use of financial resources of regional budgets and budgets of cities, which are responsible for the construction, operation and maintenance of large infrastructure objects. The only exception, in which local governments are obliged to coordinate with the Agency, is the realization of projects that involve receiving state aid.

In addition, according to the author, it is extremely necessary to formulate public-private partnership agreements that will enable public authorities more effectively to regulate the mechanisms of interaction between public and private partners. Appendix A presents the typical structure of the Public-Private Partnership Agreement.

Confirmation of the author's conclusions regarding the necessity of direct involvement of civil society representatives in the implementation and realization of public-private partnership projects is based on the findings and recommendations provided by the FHI 360, under the financial support of the United States Agency for International Development, under the Public-Private Partnership – P3DP Program. Development (USAID) in the "Concept of Public-Private Partnership Development in Ukraine 2012–2017". In particular, it is about activating development institutes in the public-private partnership management system in Ukraine.

According to the author, the idea of the necessity of cooperation of the state with international development institutes and the formation of national development institutes, the activity of which should be oriented towards the achievement of the priorities of innovation of the economy using modern approaches in risk management, deserves attention.

Implementation of development institutions should be carried out in compliance with the requirements of financial stability, diversification of resources and reduction of investment risks, exclusion of administrative influence and risks of corruption. Financial, consulting and information support of public-private partnership projects emphasizes the need for development of financial development institutions such as universal and specialized development banks, export-import banks, state venture and leasing companies, innovation funds, regional development agencies, etc. It is also proposed to foresee the creation of a special venture joint (public-private) project (created for the purpose of implementing a specific project) of the enterprise.

Promote the development of entrepreneurship infrastructure in the framework of public-private partnership, raising the skills of civil servants, introducing public-private partnership issues into academic training programs for public administration and local government nonfinancial development institutions, namely industrial parks, business incubators, research centers, technology transfer centers, energy saving and others.

Thus, it is obvious that the inadequacy of public-private partnership institutes hamper the practical implementation of projects, while the development of public-private partnerships in Ukraine requires serious adjustments in national legislation, the starting point for which should be the creation of a National Agency (State Agency, National center) of the

public-private partnership, which will allow the most effective use of all the advantages of such a partnership in the current conditions of socio-political and economic the country's development.

CONCLUSIONS

The conceptual model of improvement of the institutional support system of public administration in the field of public-private partnership is developed, taking into account the peculiarities of the interaction of civil society, state authorities and private partners, with the purpose of determining the institutional mechanisms for applying the system of public opinion polling on projects and developing a system of accountability to the public. The justification of the design of this model is supplemented by the mechanisms of public administration in the field of public-private partnership, in which all system elements, which are based on principles, methods and tools of management, co-ordinate. Such a design is aimed at realization of the following tasks: coordination of interests of the state administration bodies and increase of efficiency of interagency coordination; introduction of a clear division of powers between the various branches of power at the central level, hierarchical levels of executive power and local self-government, executive bodies and local self-government bodies at the local level.

The expediency of creating at the level of the Government of Ukraine a special national body – the State Agency (National Center) on public-private partnership responsible for the regulation and regulation of relations in this area. It is this subordination that will enable us to solve the problem of duplication of functions in the design and implementation of projects and will create conditions for productive cooperation with sectoral ministries and other central authorities. An urgent task of such an institution should be the development of a mechanism for coordinating the activities and interaction of central executive authorities in implementing public-private partnership projects, as stipulated by normative and legal acts.

The main functions of the State Agency on Public-Private Partnership established, the main of which are the following: creation of a partnership development strategy; methodical and consultative support of projects, which provides for the creation of a single register of contracts at the central and local levels in the regions and sectors concerned; analysis of project efficiency and use of public funds; creation of an effective

mechanism for selection of a private partner and conclusion of contracts, standardization of these processes; development of reference standards for the preparation of tender and contract documentation etc.

The rationale for creating a new structure is complemented by mechanisms of public participation through the creation of a Public Council (Board) under the Agency, which should include representatives of other central authorities, civil society representatives, local authorities, scientific and expert environment, business, etc. It is the Public Council that will become a guarantor of transparent public-private partnership policy, a guarantee of effective and socially oriented Agency activity at the stage of preparation and implementation of projects. In the context of this, one of the Agency's main tasks should be to develop mechanisms for interaction with civil society organizations in order to engage the community on a permanent basis before discussing, examining and monitoring the implementation of public-private partnership projects.

SUMMARY

The basic scheme of interaction within the framework of public-private partnership projects is developed, which allows to take into account the features of the interconnections of its various elements: community, business and government bodies. The purpose of the scheme is to introduce effective mechanisms for effective interaction with civil society institutions on the basis of public-private partnerships to ensure the successful implementation of projects.

In order to further develop the institutional instruments of public-private partnership in terms of the basic principles of civil society, the following practical recommendations to public authorities were proposed: to provide for participation on the part of a public partner of several persons (state, local governments) in the person of authorized bodies and enterprises; ensure the regulation of the relationship is a public-private partnership agreement with its key points; definition of a system of state bodies that implements a certain set of functions in a public-private partnership, with a clear division of powers and key principles in coordinating their activities; to provide an opportunity to exercise control functions in relation to the implementation of public-private partnership projects on the part of partners: authorized state bodies, entrepreneurs and civil society institutions.

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