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## ORGANISATIONAL AND FINANCIAL MECHANISM FOR IMPROVING INTERREGIONAL COOPERATION IN THE CONTEXT OF POST-WAR RECONSTRUCTION OF UKRAINE

**Background.** This article substantiates approaches to improving interregional cooperation in Ukraine in the context of post-war reconstruction through the use of an organisational and financial mechanism, in particular, it develops promising areas of activity in the field of development of interregional cooperation of certain institutional structures in Ukraine; summarises the advantages and disadvantages of clustering interregional development in Ukraine and the systemic effects of cluster development on the economy of the region and the country as a whole; outlines the organisational procedures for interregional cooperation.

**Methods.** In preparing the research, were used as general methods, including methods of abstraction, logic, synthesis and analysis (in particular, causal analysis), extrapolation, and as special methods and approaches. For example, the method of functional analysis was used to identify the specifics of clustering; a set of methods belonging to a wide range of systems theory – in analysing correlations between environments of different levels, connections, resources, dynamic open systems, and analysis of homeostats of these systems; an activity-based approach – in characterising the functioning of development actors; modelling – in describing financial models, etc.

**Results.** The research has established that the purpose of the organisational mechanism of interregional cooperation in Ukraine is to ensure coordination and effective interaction between regions for joint solution of economic, social and infrastructural tasks, which contributes to their sustainable development. As a result of the analysis of statistical data, it has been clarified that such an instrument of the organisational and financial mechanism as clusters is an important factor in interregional development, and in some cases – the driver of the modern national economy. The existence of developed regional clusters in Ukraine contributes to the development of small and medium-sized businesses, increases the level of GDP and the competitiveness of industries and individual regions of Ukraine. Based on the analysis of the effectiveness of public-private partnership projects, was emphasised that in order to strengthen the economy and increase the competitiveness of regions and the country as a whole, it is necessary to intensify public-private partnerships, which would contribute to more efficient use of resources and implementation of innovative initiatives.

**Conclusions.** The research proves that the organisational and financial mechanism, subject to the integrated use of basic and innovative instruments and their components, has sufficient potential to improve the existing and develop new approaches to the implementation of interregional cooperation to ensure the processes of post-war recovery and development in Ukraine. It is established that the organisational mechanism of interregional cooperation in Ukraine is a key element for ensuring effective interaction between regions and successful implementation of joint projects and programmes. It promotes the efficient use of resources, coordination of strategies and actions for their implementation, which ensures sustainable development of regions and solving common social and economic problems. The sustainable functioning of this mechanism increases the efficiency of interregional cooperation, stimulates innovation and supports infrastructure development. It is clarified that strengthening the financial base of interregional cooperation in Ukraine is extremely important for ensuring the successful development of regions and implementation of joint initiatives. Despite the increase in funding, obstacles such as unequal distribution of resources and lack of coordination between funding sources remain. In order to promote sustainable development, it is becoming clear that there is a need to combine different financial models and increase the transparency of financial transactions. It is equally important to focus on reducing the debt burden by maximising the use of loans and improving the efficiency of public-private cooperation. Prospects for further research are related to the need for a deep theoretical understanding of the processes of European integration in the context of inter-territorial cooperation in the context of Ukraine's post-war recovery in order to develop practical recommendations.

**Keywords:** public administration, post-war reconstruction, development, region, cooperation, interregional cooperation, public administration mechanisms, organisational and financial mechanism, organisational instruments, financial instruments, models, clusters, European integration, sustainable development, public-private partnership, financial resources, innovations

### Background

In the current environment, the specifics of which are determined by the tracks of European integration and repulsion of full-scale armed aggression by Russia, the issue of interregional cooperation is becoming particularly relevant. At the current stage of development of Ukrainian statehood, interregional cooperation is articulated by the need to integrate domestic regions for the purposes of joint development and infrastructure restoration and is conditioned by the challenges outlined above. Effective mechanisms of cooperation between regions can contribute not only to economic recovery, but also to strengthening social ties and supporting civil society. The involvement of international partners and grant programmes

opens up new opportunities for implementing joint projects that meet the needs of local communities. However, in order to achieve maximum results, it is necessary to develop effective tools that would ensure synergies between regions, taking into account their specific needs and resources. Given the state's European integration aspirations, the development of new approaches to interregional cooperation is an important step towards increasing the country's competitiveness by improving existing mechanisms through the introduction of a set of innovative tools.

**The purpose of the article** is to substantiate approaches to establishing the specifics of the application of the organisational and financial mechanism for

improving interregional cooperation in the context of post-war reconstruction of Ukraine.

**Sources.** Currently, a significant body of theoretical research on interregional cooperation has been accumulated in Ukraine and abroad. In this context, it is worth mentioning the works of such scholars as Bila et al. (2011), Zhalilo and Snihova (2021), Lango (2015), Melnyk (2018), Rohozian and Zabłodska (2020), Zardi (2018) and a whole host of other scholars. At the same time, important aspects of developing effective mechanisms for interregional cooperation in the current environment have not yet been properly studied by scholars and experts and require in-depth research.

**Methods**

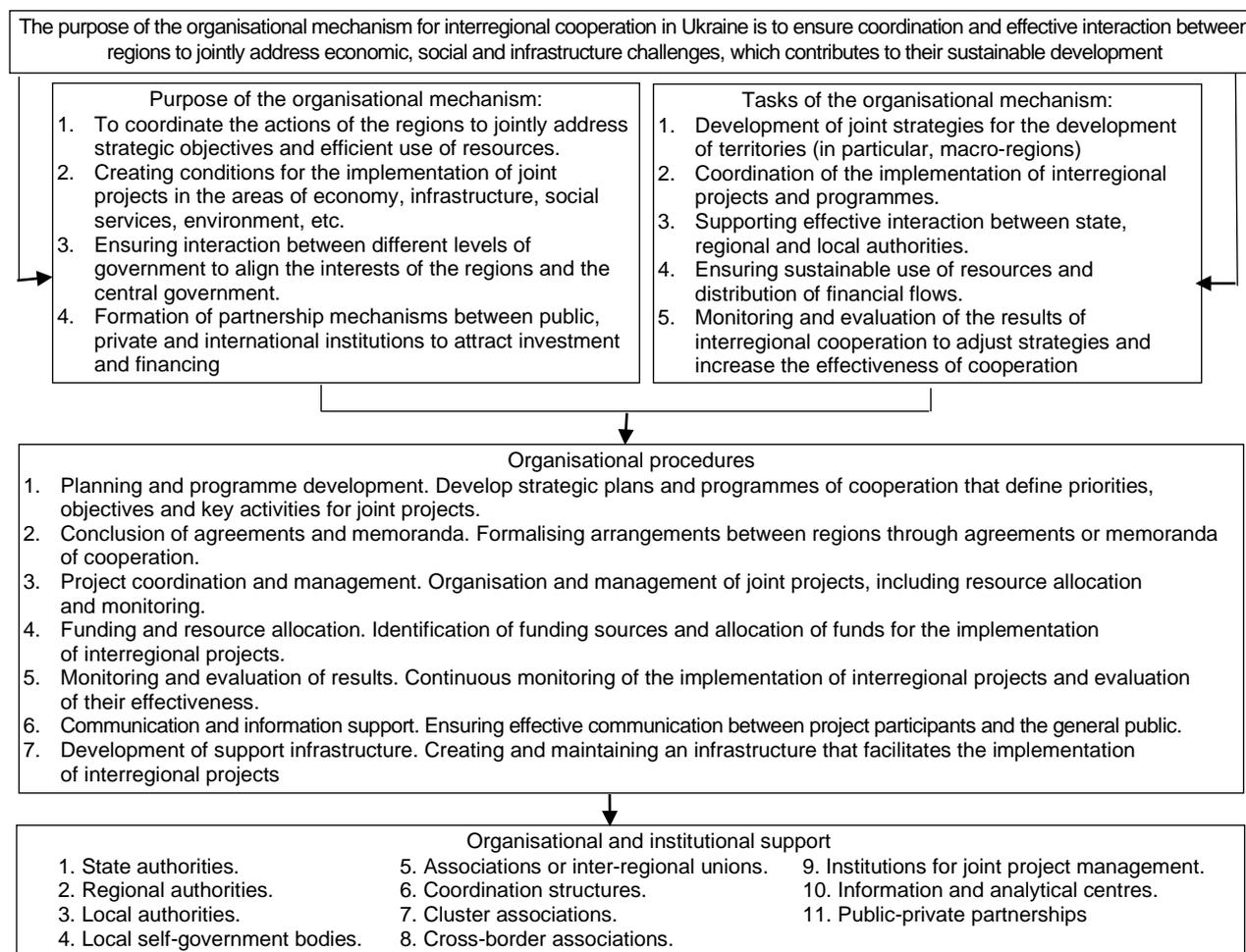
To obtain scientific results, were used as general methods, including methods of abstraction, logic, synthesis and analysis (in particular, causal analysis), extrapolation, and as special methods and approaches. For example, the method of functional analysis was used to identify the specifics of clustering; a set of methods belonging to a wide range of system theory (in analysing correlations between environments of different levels, connections, resources, dynamic open systems, and analysis of homeostats of these systems); an activity-based approach was used to characterise the functioning of development actors; modelling was used to describe financial models, etc.

**Results**

The organisational and financial mechanism for improving interregional cooperation in Ukraine is crucial for

achieving balanced regional development and boosting the national economy. As noted in recent publications, "The organisational mechanism makes it possible to coordinate joint efforts to address important socio-economic issues... In the absence of a well-established system for managing interregional projects, there may be differences in goals, wasteful allocation of resources, and delays in the implementation of initiatives" (Smachnyi, 2019, p. 130). At the same time, the financial mechanism is aimed at developing approaches to securing the necessary funding for the implementation of projects and initiatives, promoting economic development and improving the relevant infrastructure. Given the constraints of the state budget, it is crucial to seek diverse sources of funding, including loans and investments. Well-designed financial assistance systems allow regions to effectively implement projects and promote the development of important sectors of the economy. Cooperation between regions mitigates risks and aims to optimise the use of resources through joint financing. As a result, the creation of effective organisational and financial mechanisms is crucial for successful interregional cooperation, which ultimately leads to greater economic integration and improved living conditions. Improving the specific instruments of these mechanisms will be a major step forward in ensuring regional stability and accelerating the country's recovery and development.

The approaches to the organisational mechanism of interregional cooperation in Ukraine are outlined in figure 1.



Source: compiled by the authors according to (Smachnyi, 2019; Arapova, 2016; Tyshchenko, 2013).

**Fig. 1. Organisational mechanism of interregional cooperation in Ukraine**

Thus, the purpose of the organisational mechanism of interregional cooperation in Ukraine is to ensure coordination and effective interaction between regions to jointly address economic, social and infrastructure challenges, which contributes to their sustainable development.

Organisational procedures within the defined organisational mechanism of interregional cooperation in Ukraine are presented in table 1.

**Table 1**  
**Organisational procedures within the outlined organisational mechanism of interregional cooperation in Ukraine**

Procedure	Contents	Examples
1. Programme planning and development	Develop strategic plans and cooperation programmes that define priorities, goals and key activities for joint projects	Developing an economic development programme for the interregional cluster; a strategic plan for the development of common infrastructure
2. Conclusion of agreements and memoranda of understanding	Formalising arrangements between regions through agreements or memoranda of cooperation	An agreement on joint implementation of an infrastructure project between the regions; a memorandum of partnership for tourism promotion
3. Project coordination and management	Organisation and management of joint projects, including resource provision and execution control	Creation of an interregional working group to manage the road reconstruction project; coordination of energy development projects
4. Funding and resource allocation	Identification of funding sources and allocation of funds for interregional projects	Attraction of grants from international organisations; allocation of the state budget for the implementation of interregional infrastructure projects
5. Monitoring and evaluation of results	Continuous monitoring of the implementation of interregional projects and evaluation of their effectiveness	Conducting regular audits of project progress; assessing the project's impact on regional economic development
6. Communication and information support	Ensuring effective communication between project participants and the general public	Organising press conferences to highlight project results; creating an online platform for information exchange between regions
7. Development of support infrastructure	Create and maintain an infrastructure that facilitates the implementation of interregional projects	Open information and analytical centres to support projects; develop technical support for interregional initiatives

Source: developed by the authors.

Thus, the purpose of the organisational mechanism of interregional cooperation in Ukraine is to ensure coordination and effective interaction between regions to jointly address economic, social and infrastructure challenges, which contributes to their sustainable development. The development of clusters in the system of interregional development of Ukraine seems to be a promising area for improving the organisational and financial mechanism. According to researchers, clustering increases labour productivity, accelerates the introduction of innovations in production and increases the competitiveness of various sectors of the economy. Clusters are not costly to organise and are based on a number of initiatives that encourage participants to cooperate. The formation of clusters makes it possible to create an economic space focused on expanding trade, increasing exports and free movement of capital and labour (Ivanchenko, 2013).

The functions of clusters are based on networking, cooperation, coordination of joint activities and competition

at the interregional level. Cluster centres are usually located in the geographical centre of a region and specialise in certain industries that share common technologies and activities. The creation of such networks can be initiated by both governments at various levels and the private sector. In the former case, local administrations actively invest in cluster development, while in the latter case, investments may be required at a later stage if the cluster is important for the region and needs support.

State support is important for the initial development of clusters, as it creates conditions for the integration of national economic development strategies and regional potential. As clusters contribute to rapid economic development and qualitative transformation of the regional economic system, cluster policy and cluster formation have become important topics in the modern economy (Voynarenko, 2011, p. 226).

The advantages and disadvantages of clustering interregional development in Ukraine are summarised in table 2.

**Table 2**  
**Advantages and disadvantages of clustering interregional development in Ukraine**

Advantages	Disadvantages
<ol style="list-style-type: none"> <li>Growth of the tax base.</li> <li>Diversification of economic development in the region.</li> <li>Significant simplification of access of regional enterprises to various types of resources.</li> <li>Increase in sales efficiency due to the sustainability of logistics flows between cluster enterprises.</li> <li>Making a qualitative leap in the innovative development of the cluster's enterprises through the involvement of scientific institutions.</li> <li>The development of the clustering institution allows to create effective institutional conditions for attracting all resources and increasing the competitiveness of the region.</li> <li>The development of the clustering institution allows to create effective institutional conditions for attracting resources and increasing the competitiveness of the region.</li> </ol>	<ol style="list-style-type: none"> <li>Lack of experience, clear methodologies, economic ties, poor quality of the business climate, psychological unwillingness to cooperate.</li> <li>The concept of a cluster is not regulated by law, corruption in government agencies, and Ukraine's technological backwardness.</li> <li>Excessive concentration of enterprises on internal relations, ignoring the environment outside the cluster, can lead to the obsolescence of technologies and a decrease in their competitiveness.</li> <li>Cluster isolation may lead to a decrease in the flexibility of the participating enterprises.</li> <li>The absence of competitors within a particular cluster "destroys" the need for continuous improvement of the production and sales process.</li> </ol>

Ending table 2

Advantages	Disadvantages
8. Establishment of partnership cooperation on a contractual basis between cluster members, which contributes to the formation of a common information environment	6. Relative remoteness of industrial enterprises from suppliers of raw materials and consumers of final products. 7. Dependence of the performance of the entire cluster on the efficiency of each of its members

Source: compiled by the authors according to (Ivanchenko, 2013).

Consequently, regions where clusters are active show significantly better development results. Ukraine has significant potential for clustering in both high technology and traditional sectors. The country is developing a system of interaction between cluster members, which requires effective communication channels. A cluster is a network of geographically connected and complementary enterprises, including service providers, producers and consumers, which are united around research centres and have vertical links with local institutions and authorities (Vasylieva, 2012, p. 21).

Thus, we consider clusters to be a voluntary association of organisations operating in a particular industry and geographical region, closely interacting within the value chain to improve competitiveness, increase exports and reduce costs. Such associations contribute to the economic growth of the region. Clusters can be initiated by both public and private institutions or companies (Vasilieva, 2012, p. 20).

In the USA, these are mainly venture capitalists, start-ups and research organisations, and in the EU, regional authorities. In Ukraine, the cluster movement is developing unregulated and without a single representative body at the national level. State support for clusters was insufficient, as there were no relevant policies or state bodies dealing with their development until 2020 (Voynarenko, 2011, p. 276).

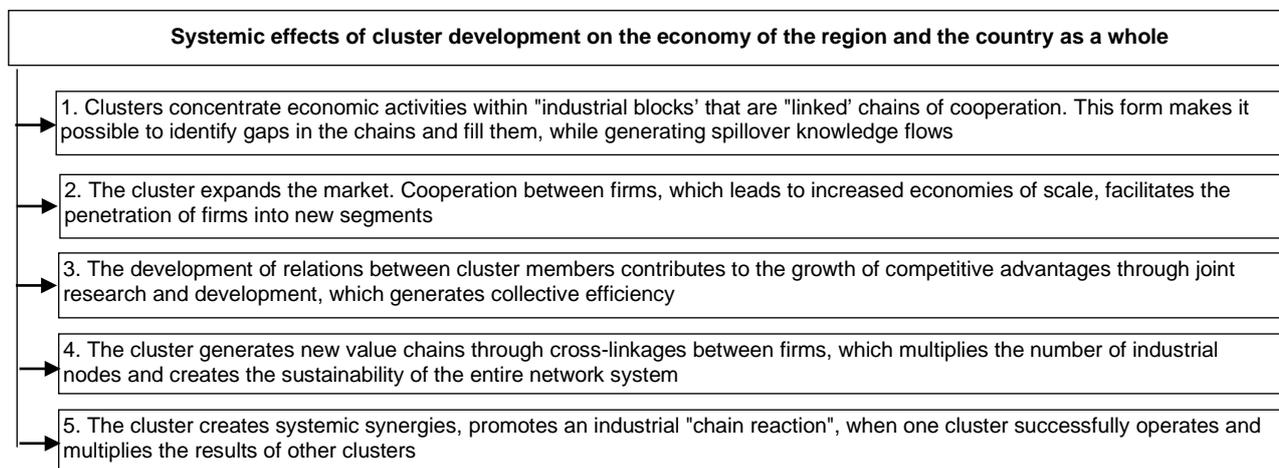
There are about 50 cluster initiatives and clusters in the country, 22 of which are on the European Cluster Collaboration Platform (ECCP). There has also been significant activity at the regional level in recent years. The 30 cluster organisations registered in Ukraine represent the following types of economic activity (Yurchak, 2020):

- IT – 31 %;
- AGRICULTURE – 16 %;
- woodworking and furniture industry – 13 %;
- energy – 10 %;
- aerospace industry – 6 %, etc.

The most developed and widespread are IT clusters, among which the Lviv and Kharkiv IT clusters stand out in terms of organisation and scale of activity. Among the industrial clusters, the Zakarpattia automotive cluster, the Kherson business cluster (engineering), and the Rivne furniture cluster are well-known (Yurchak, 2020).

However, there are already a sufficient number of people and organisations in Ukraine who understand the topic and initiate the formalisation of clusters. These include proactive enterprises (Eastern Food Technology plus Interregional Industrial Cluster and Lviv IT Cluster), business associations (Association of Industrial Automation Enterprises of Ukraine), etc.

Thus, the systemic effects of cluster development on the economy of the region and the country as a whole are primarily as follows (fig. 2).



Source: compiled by the authors according to (Yurchak, 2020).

Fig. 2. Systemic effects of cluster development on the economy of the region and the country as a whole

Thus, we can state that clusters are an important factor in interregional development and, in some cases, a driver of the modern national economy. The existence of developed regional clusters in Ukraine contributes to the development of small and medium-sized businesses, increases GDP and the competitiveness of industries and individual regions of Ukraine. We also need to articulate the importance of clustering for the development of an organisational mechanism for interregional cooperation.

Organisational and institutional support for the organisational mechanism of interregional cooperation consists in the creation and functioning of structures, institutions and systems that ensure effective coordination, management and implementation of joint projects between regions. This includes (Arapova, 2018; Tyshchenko, 2013):

1. Establishing interregional coordination bodies, such as interregional councils or commissions, is crucial to facilitate cooperation between regions, formulate strategies and implement initiatives.

2. Establishment of regional administrative structures – ensuring that regional and local administrations are in place to facilitate and implement interregional initiatives.

3. Establishment of specialised bodies and agencies – establishing institutions that facilitate interregional cooperation, such as regional development agencies or information and analytical centres.

4. Establishment of clearly defined procedures and rules of engagement – creation of regulations, agreements

and protocols that outline the procedure for cooperation, financing, management and monitoring processes.

5. Providing information and communication support involves creating platforms for information exchange, conducting information campaigns and ensuring access to relevant data for successful project implementation.

Promising areas of activity in the development of interregional cooperation of individual institutional structures in Ukraine are presented in table 3.

**Table 3**

**Promising areas of activity in the development of interregional cooperation of individual institutional structures in Ukraine**

Authority	Tasks for the development of interregional cooperation
Verkhovna Rada of Ukraine (VRU)	1. Development and adoption of legislation regulating interregional cooperation 2. Control over the implementation of laws related to regional development
Cabinet of Ministers of Ukraine (CMU)	1. Development and implementation of state policy on interregional cooperation 2. Coordination of actions of central and local authorities
Ministry of Development of Communities, Territories and Infrastructure of Ukraine	1. Develop and implement national strategies and programmes for the development of the transport and infrastructure network 2. Support for interregional infrastructure projects
Regional state administrations (RSAs)	1. Coordination of interregional projects at the oblast level 2. Interaction with local authorities to implement joint initiatives
Local self-government bodies	1. Initiate and participate in local and interregional projects 2. Cooperation with other communities and regions to implement joint social and economic programmes
Cluster associations	1. Formation and support of interregional business networks and clusters for economic development 2. Creation of joint innovation and production projects
Cross-border associations	1. Cooperation with neighbouring countries to implement joint border projects 2. Development of joint infrastructure and cultural programmes
Information and analytical centres	1. Collect, analyse and provide information to support interregional projects 2. Conducting research and monitoring the effectiveness of interregional initiatives
Public-private partnerships	1. Attracting private investment to implement interregional projects 2. Cooperation with business to develop and implement infrastructure and social projects

Source: compiled by the authors based on (Community international partnership..., 2024; Legislative initiatives to continue decentralization..., 2024; Tkachuk et al., 2024; What should be the format of participation..., 2023).

Thus, the organisational mechanism of interregional cooperation in Ukraine is a key element for ensuring effective interaction between regions and successful implementation of joint projects and programmes. It encourages the efficient use of resources, coordination of actions and coordination of strategies, which ensures sustainable development of the regions and solving common social and economic problems. The smooth operation of this mechanism increases the effectiveness of interregional cooperation, stimulates innovation and supports infrastructure development. Thanks to well-established procedures and institutional support, interregional initiatives receive the necessary resources and management support. As a result, the organisational structure plays a crucial role in the implementation of the strategy of balanced regional development and enhancing Ukraine's competitiveness.

The financial mechanism of interregional cooperation includes a set of financial instruments, funding sources and procedures to facilitate the implementation of joint projects and initiatives between the regions of Ukraine. As noted in modern studies, it includes (Tychkovska, 2020; Pukhry, 2017; Kravchenko, & Markovskiy, 2011).

1. Sources of funding, which include the state budget, local budgets, international grants, loans, private sector investments, and European Union funds.

2. Mechanisms for the allocation of funds – budgeting procedures, financial control, resource allocation and adjustment of funding.

3. Financial planning involves the creation of financial plans and programmes for the implementation of interregional projects, including the estimation of costs and revenues.

4. Cooperation with investors and lenders – attracting private investors, international financial institutions and banks to support interregional initiatives.

5. Financial management and audit – controlling expenditures, evaluating the efficiency of financial resources and conducting audits to ensure transparency and accountability.

This mechanism ensures the availability of resources for the implementation of interregional projects, promotes economic growth in different regions, and helps to achieve common goals in the development of infrastructure, social services, and other important areas. There are various models of financing interregional projects in Ukraine, as summarised in table 4.

**Table 4**

**Analysing models of financing interregional projects in Ukraine**

Model name	The essence of the model	Features of the model	Examples of funding for specific projects in Ukraine
State funding	Financing of projects from the state budget	Central management, funding through national programmes and government grants	Reconstruction of roads as part of the interregional Big Construction project; reconstruction of bridges at the national level
Local funding	Financing projects from local budgets or municipal funds	Decentralised governance, often complemented by co-financing from regional and city budgets	Repair and modernisation of local roads as part of inter-municipal cooperation; development of local infrastructure

Ending table 4

Model name	The essence of the model	Features of the model	Examples of funding for specific projects in Ukraine
International grants	Financing projects from international grant funds and programmes	Raising funds from international organisations and donors, specific requirements for projects and reporting	Environmental protection projects funded by the European Union; tourism development in the border regions funded by grants from the Organization of United Nations
Public-private partnership (PPP)	Co-financing of projects between government agencies and private companies	Private investors participate in the financing and implementation of projects, sharing risks and benefits	Implementation of projects to build new transport routes with the participation of private companies; modernisation of utilities
Lending	Financing projects through loans from banks or financial institutions	Attracting credit resources to cover expenses, the need to repay loans with interest	Loans for the modernisation of water supply in the regions; financing of infrastructure projects through banks
Funds for regional development	Specialised funds to support regional development that finance interregional projects	May include funds from the state budget, local budgets and international sources; targeted use	Financing the development of transport corridors through the Regional Development Fund; support for agricultural projects within regional funds

Source: compiled by the authors after (Kravchenko, & Markovskiy, 2011; Smolinska, & Ovchynnikova, 2021).

This may indicate that local budgets are gradually increasing their participation in joint projects, but their contributions remain relatively smaller compared to state funding. The volume of international grants is growing, which indicates an increase in external financing of interregional projects. This can be explained by the growing support of international donors for domestic initiatives that contribute to the progress of underdeveloped regions. The number of loans is growing, indicating that more and more people are finding credit attractive for financing their projects. Nevertheless, this type of financing carries a risk of debt accumulation that requires careful consideration.

Thus, strengthening the financial base of interregional cooperation in Ukraine is crucial to ensure the successful development of the regions and the implementation of joint initiatives. Despite the increase in funding, obstacles such as unequal distribution of resources and lack of coordination between funding sources remain. In order to promote sustainable development, it is becoming clear that there is a need to combine different financial models and increase the transparency of financial transactions. It is equally important to focus on reducing the debt burden by maximising the use of loans and increasing the effectiveness of public-private cooperation. For example, one of the key conditions for the formation of a stable economic environment that will contribute to the growth of the national economy and individual regions is effective cooperation between the government and business structures. It aims to create favourable conditions for doing

business and good business practices (Svirko et al., 2023, p. 119). Public-private partnerships in Ukraine involve a system of relations between public and private partners, which combines the resources of both parties. Risks, responsibilities and rewards (compensation) are shared between them, which ensures mutually beneficial cooperation for a long time. This partnership covers the creation, restoration of new facilities or modernisation of existing ones that require investment, as well as their further operation (Komarnytska, 2019, p. 45).

According to the data of central and local executive authorities in Ukraine, as of 01.01.2024, 198 agreements were concluded on the PPP terms, of which 22 agreements are being implemented (10 concession agreements, 6 joint venture agreements, 6 other agreements), 166 agreements are not being implemented (115 are not being implemented, 51 are terminated/expired), and 10 are suspended due to the armed aggression of the Russian Federation (tbl. 5).

The underdevelopment of public-private partnerships in Ukraine hinders economic growth and infrastructure modernisation, as it does not effectively attract investment and resources from the private sector. The lack of a clear regulatory framework and mechanisms for interaction between the state and business creates obstacles to the implementation of joint projects. To strengthen the economy and increase the country's competitiveness, it is necessary to intensify public-private partnerships, which will contribute to more efficient use of resources and implementation of innovative initiatives.

Table 5

Contracts concluded on the basis of the PPP, which are implemented in Ukraine, as at 01.01.2024

Region	Number and scope of PPP agreements
Volyn	1 (Tourism, leisure, recreation, culture and sports)
Dnipropetrovska	1 (Water collection, treatment and distribution)
Zhytomyr	1 (Production, transportation and supply of heat and distribution and supply of natural gas)
Transcarpathian	2 (Production, transportation and supply of heat and distribution and supply of natural gas, Water collection, treatment and distribution)
Zaporizhzhya	2 (Tourism, leisure, recreation, culture and sports, other)
Ivano-Frankivsk	1 (Tourism, leisure, recreation, culture and sports)
Kyiv	2 (Water collection, treatment and distribution, health care)
Kirovograd	1 (Tourism, leisure, recreation, culture and sports)
Lviv	2 (Water collection, treatment and distribution)
Mykolaiv	2 (Water collection, treatment and distribution)
Odesa	2 (Tourism, leisure, recreation, culture and sports, waste management, except collection and transportation)
Poltava	1 (Waste management other than collection and transportation)
Khmelnitsky	1 (Other)
Chernihiv	1 (Production, transportation and supply of heat and distribution and supply of natural gas)

Source: compiled by the authors according to (The status of PPP implementation in Ukraine., 2024).

The underdevelopment of public-private partnerships in Ukraine hinders economic growth and infrastructure modernisation, as it does not effectively attract investment and resources from the private sector. The lack of a clear regulatory framework and mechanisms for interaction between the state and business creates obstacles to the implementation of joint projects. To strengthen the economy and increase the country's competitiveness, it is necessary to intensify public-private partnerships, which will contribute to more efficient use of resources and implementation of innovative initiatives.

An important element of building a financial mechanism for improving interregional cooperation is the introduction of new financial instruments into the system of financial relations between regions. Thus, the introduction of new

financial instruments in the system of interregional financial relations is an important step towards strengthening economic stability and development of Ukraine. These financial instruments allow regions to manage their financial resources more efficiently and provide more transparent and responsible financing mechanisms. In addition, modern financial solutions can facilitate investment and infrastructure development, which is vital for a region's competitiveness. As a result, the introduction of such financial instruments can significantly improve interregional cooperation and ensure a more balanced socio-economic development (Shostak, 2019, p. 114).

Various financial instruments, their advantages and obstacles to the development of interregional cooperation in Ukraine are presented in table 6.

**Table 6**

**Modern financial instruments, their advantages and obstacles to the development of interregional cooperation in Ukraine**

<b>Tool</b>	<b>Conditions and benefits of use</b>	<b>Obstacles to the use of the technology in Ukraine</b>
Public-private partnerships	Provides co-financing of projects from the public and private sectors, reducing the financial burden on the budget. Benefits: access to private investment and innovative solutions	Insufficient legal framework, low trust between partners, lack of clear mechanisms for cooperation
Grant funding	Opportunity to receive non-repayable funds for projects that contribute to the socio-economic development of regions. Advantages: no obligations to repay the funds	Competition for limited funding, complexity of application procedures, uncertainty in the timing of funds allocation
Lending by international funds	Provision of concessional loans for the implementation of infrastructure projects. Benefits: reduced debt service costs, access to new technologies	Stringent performance requirements, risks of insufficient project implementation, and difficulties in project management
European structural funds	Financing projects that promote integration with the European Union, improve infrastructure and social services. Benefits: increased regional competitiveness	Non-transparent procedures, insufficient project preparation, lack of experience in managing European funds
Investment platforms	Platforms connecting investors and regions to finance joint projects. Benefits: fast capital raising, transparency of transactions	Lack of popularity and awareness of the platforms, lack of trust between the parties, technical difficulties in implementing the platforms

Source: compiled by the authors after (Vorotin et al., 2010; Davymuka et al., 2019; Shostak, 2019).

**Discussion and conclusions**

The research has established that the purpose of the organisational mechanism of interregional cooperation in Ukraine is to ensure coordination and effective interaction between regions for joint solution of economic, social and infrastructural tasks, which contributes to their sustainable development. As a result of the analysis of statistical data, it has been clarified that such an instrument of the organisational and financial mechanism as clusters is an important factor in interregional development, and in some cases – the driver of the modern national economy. The existence of developed regional clusters in Ukraine contributes to the development of small and medium-sized businesses, increases the level of GDP and the competitiveness of industries and individual regions of Ukraine. Based on the analysis of the effectiveness of public-private partnership projects, the author emphasises that in order to strengthen the economy and increase the competitiveness of regions and the country as a whole, it is necessary to intensify public-private partnerships, which will contribute to more efficient use of resources and implementation of innovative initiatives.

The research proves that the organisational and financial mechanism, subject to the integrated use of basic and innovative instruments and their components, has sufficient potential to improve the existing and develop new approaches to the implementation of interregional cooperation to ensure the processes of post-war recovery and development in Ukraine. It is established that the organisational mechanism of interregional cooperation in

Ukraine is a key element for ensuring effective interaction between regions and successful implementation of joint projects and programmes. It promotes the efficient use of resources, coordination of strategies and actions for their implementation, which ensures sustainable development of regions and solving common social and economic problems. The sustainable functioning of this mechanism increases the efficiency of interregional cooperation, stimulates innovation and supports infrastructure development.

It is clarified that strengthening the financial base of interregional cooperation in Ukraine is extremely important for ensuring the successful development of regions and implementation of joint initiatives. Despite the increase in funding, obstacles such as unequal distribution of resources and lack of coordination between funding sources remain. In order to promote sustainable development, it is becoming clear that there is a need to combine different financial models and increase the transparency of financial transactions. It is equally important to focus on reducing the debt burden by maximising the use of loans and increasing the effectiveness of public-private cooperation. The research proves that the organisational and financial mechanism, subject to the integrated use of basic and innovative instruments and their components, has sufficient potential to improve the existing and develop new approaches to the implementation of interregional cooperation to ensure the processes of post-war recovery and development in Ukraine. It is established that the organisational mechanism of interregional cooperation in Ukraine is a key element for ensuring effective interaction between regions and successful implementation of joint

projects and programmes. It promotes the efficient use of resources, coordination of strategies and actions for their implementation, which ensures sustainable development of regions and solving common social and economic problems. The sustainable functioning of this mechanism increases the efficiency of interregional cooperation, stimulates innovation and supports infrastructure development.

It is clarified that strengthening the financial base of interregional cooperation in Ukraine is extremely important for ensuring the successful development of regions and implementation of joint initiatives. Despite the increase in funding, obstacles such as unequal distribution of resources and lack of coordination between funding sources remain. In order to promote sustainable development, it is becoming clear that there is a need to combine different financial models and increase the transparency of financial transactions. It is equally important to focus on reducing the debt burden by maximising the use of loans and increasing the effectiveness of public-private cooperation. Prospects for further research are related to the need for a deep theoretical understanding of the processes of European integration in the context of inter-territorial cooperation in the context of post-war reconstruction of Ukraine in order to develop practical recommendations.

**Authors' contribution:** Victoriia Koltun – methodology, analysis of sources, development of theoretical foundations of research, writing – revision and editing (making significant changes, additions to the article); Tetiana Palamarchuk – conceptualization, analysis of sources, preparation of a literature review or theoretical foundations of research, writing – the original draft (writing the initial version (draft) of the article); Liudmyla Lutsenko – analysis of sources, writing – the original draft (writing the initial version (draft) of the article).

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## ОРГАНІЗАЦІЙНО-ФІНАНСОВИЙ МЕХАНІЗМ УДОСКОНАЛЕННЯ МІЖРЕГІОНАЛЬНОГО СПІВРОБІТНИЦТВА В УМОВАХ ПІСЛЯВОЄННОГО ВІДНОВЛЕННЯ УКРАЇНИ

**В с т у п .** Обґрунтовано підходи до удосконалення міжрегіонального співробітництва в Україні в умовах післявоєнного відновлення шляхом застосування організаційно-фінансового механізму, зокрема, розроблено перспективні напрями діяльності у сфері розвитку міжрегіонального співробітництва окремих інституційних структур в Україні; узагальнено переваги та недоліки кластеризації міжрегіонального розвитку в Україні і системні ефекти кластерного розвитку на економіку регіону та країни загалом; окреслено організаційні процедури міжрегіонального співробітництва в Україні; уточнено специфіку сучасних фінансових інструментів, їхні переваги та перешкоди для розвитку міжрегіонального співробітництва в Україні; здійснено аналіз моделей фінансування міжрегіональних проєктів в Україні.

**М е т о д и .** Під час дослідження застосовано як загальні методи, зокрема методи абстрагування, логіки, синтезу та аналізу (наприклад, причинно-наслідкового аналізу), екстраполяції, так і спеціальні методи та підходи: метод функціонального аналізу – для виявлення специфіки кластеризації; комплекс методів, що належать до широкого кола теорії системи (для аналізу кореляцій між середовищем різного рівня, зв'язків, ресурсів, динамічних відкритих систем, в аналізі гомеостатів зазначених систем); діяльнісний підхід – для характеристики функціонування суб'єктів розвитку; моделювання – під час описування фінансових моделей тощо.

**Р е з у л ь т а т и .** Установлено, що метою функціонування організаційного механізму міжрегіонального співробітництва в Україні є забезпечення координації та ефективної взаємодії між регіонами для спільного виконання економічних, соціальних, інфраструктурних завдань, що сприяє їх сталому розвитку. У результаті проведеного аналізу статистичних даних уточнено, що такий інструмент організаційно-фінансового механізму, як кластери, є важливим чинником міжрегіонального розвитку, а в деяких випадках – рушієм сучасної національної економіки. Наявність розвинutih регіональних кластерів в Україні сприяє розвитку малого та середнього бізнесу, підвищує рівень ВВП та конкурентоздатність галузей та окремих регіонів України. На основі здійсненого аналізу результативності проєктів публічно-приватного партнерства наголошено, що для зміцнення економіки та підвищення конкурентоспроможності регіонів та країни загалом необхідно активізувати публічно-приватне партнерство, що сприятиме ефективнішому використанню ресурсів і реалізації інноваційних ініціатив.

**В и с н о в к и .** Обґрунтовано, що організаційно-фінансовий механізм, за умови комплексного застосування базових та інноваційних інструментів і їх складників, містить достатній потенціал для удосконалення наявних і напрацювання нових підходів до реалізації міжрегіонального співробітництва для забезпечення процесів післявоєнного відновлення і розвитку в Україні. Встановлено, що організаційний механізм міжрегіонального співробітництва в Україні є ключовим елементом для забезпечення ефективної взаємодії між регіонами та успішної реалізації спільних проєктів і програм. Він сприяє ефективному використанню ресурсів, координації стратегій та дій з їх реалізації, що забезпечує сталий розвиток регіонів та розв'язання спільних соціальних та економічних проблем. Стале функціонування цього механізму підвищує ефективність міжрегіонального співробітництва, стимулює інновації та підтримує розвиток інфраструктури. Розкрито, що зміцнення фінансової бази міжрегіонального співробітництва в Україні є надзвичайно важливим для забезпечення успішного розвитку регіонів та реалізації спільних ініціатив. Незважаючи на збільшення фінансування, такі перешкоди, як нерівний розподіл ресурсів і відсутність координації між джерелами фінансування, залишаються. Доведено, що для сприяння сталому розвитку стає очевидною необхідність поєднувати різні фінансові моделі і підвищувати прозорість фінансових операцій. Не менш важливо зосередитися на зменшенні боргового навантаження шляхом максимального використання позик і підвищення ефективності державно-приватного співробітництва. Визначено, що перспективи подальших наукових досліджень пов'язані з необхідністю глибокого теоретичного осмислення процесів євроінтеграції в розрізі міжтериторіального співробітництва в умовах післявоєнного відновлення України задля вироблення практичних рекомендацій.

**К л ю ч о в і с л о в а :** публічне управління та адміністрування, післявоєнне відновлення, розвиток, регіон, співробітництво, між-регіональне співробітництво, механізми публічного управління, організаційно-фінансовий механізм, організаційні інструменти, фінансові інструменти, моделі, кластери, євроінтеграція, сталий розвиток, публічно-приватне партнерство, фінансові ресурси, інновації

Автори заявляють про відсутність конфлікту інтересів. Спонсори не брали участі в розробленні дослідження; у зборі, аналізі чи інтерпретації даних; у написанні рукопису; в рішенні про публікацію результатів.

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