IMPROVING INSTITUTIONAL CAPACITY OF PUBLIC AUTHORITIES IN TERMS OF PUBLIC-PRIVATE PARTNERSHIP POLICY IMPLEMENTATION

Problem setting. Public-private partnership (hereafter PPP) is aimed at enhancing the cooperation between the state and business to meet public interests, the implementation of innovative and investment projects, and the improvement of the efficiency of public administration system. The main reason that hinders the development of PPP in Ukraine is lack of clear public policy and institutional environment in this area of cooperation, particularly at the local level. However, some positive steps are carried out, the basis of which is the adoption of a range of regulations.

Recent research and publications analysis. Multifaceted problems concerning the interaction between governmental institutions and public sector were analyzed from different perspectives. Considerable attention is paid to the research of the relations between the state and the private sector, the issue of regulation of social and economic development of regions, and problems regarding the application of the mechanisms of public-private partnership in Ukraine in the works of foreign and domestic scholars D.Audrits, F.Basanes, R.Ball, V.Varnavsky, S.Greve, M.Lendel, I.Zapatrina, K.Pavlyuk, S.Pavlyuk, F.Uzunov, P.Shelepnytsky.

Paper main body. In the process of reforming the local government and decentralization of power in Ukraine there is a possibility to overcome a lot of challenges, particularly, infrastructural and financial weakness of communities. Partnership relations among the state, territorial communities and private sector can be a tool to provide the efficient development of territorial communities.

Any country that wants to implement a reform in a certain area of public policy requires support, notably a group of senior officials and politicians who are closely related to the issue and constantly promote the benefits of reforming in this
political sphere. In the case of PPP in Ukraine, the constant support is provided by the senior management of the Ministry of Economic Development and Trade of Ukraine. This support resulted in positive steps towards the reform.

The implementation of the tasks concerning the improvement of the mechanisms of public-private partnership in the realization of projects in 2015, identified in the Program of the Cabinet of Ministers of Ukraine and the Sustainable Development Strategy of «Ukraine–2020», proves the efficiency of the support mentioned above.

The main reasons that should impel the state to implement PPP projects are the benefits associated with the efficiency improvements, active involvement of innovations, and the provision of high performance in delivering public services by means of creating a competitive environment.

In Ukraine, especially at the local level, there is no established process in the system of initiating, analyzing the feasibility of projects in the form of PPP, risk managing and monitoring the projects, which impedes the efficient implementation of the projects.

The creation of capable territorial communities and the financial support of their development are most urgent tasks at the stage of reforming the local government in Ukraine. The implementation of PPP projects can be an effective instrument of the development of territories.

Thus, it is proposed to establish the Ukrainian Trainers Association of Public-Private Partnership for integrated territorial communities in order to improve the institutional capacity for the implementation of public-private partnership in Ukraine and to share experience, knowledge and skills in the field of PPP among the representatives of the government, business and civil society.

Before introducing PPP, it is necessary to strengthen intrinsic capacities. However, there are problems with the selection of projects and the form of their implementation. Taking this into consideration, the establishment of strategic selection and prioritization of the development of potential projects within integrated territorial communities should be a strategic starting point. This approach will make it possible to determine which sectors require attracting private
capital to the benefit of the community and to choose the best mechanisms of project implementation.

The development and implementation of the Strategic Plan of the territory development will help to attract private sector to address strategic objectives of social and economic development of a certain territory, using public-private partnership as a tool for rapid reforming, taking into account the experience of providing quality services, attracting investment and implementing the efficient management.

**Conclusions.** Thus, in order to improve the institutional capacity of public authorities in terms of public-private partnership policy implementation, especially under conditions of reforming the local government and territorial organization of power in Ukraine, it is expedient to establish the Ukrainian Trainers Association of Public-Private Partnership for integrated territorial communities; develop Strategic plans of the territory development that will help to identify priority directions of PPP project implementation and to establish a partnership between the government and business leaders – representatives of the private sector.