ІНСТИТУЦІОНАЛЬНІ АСПЕКТИ РОЗВИТКУ ТРАНСКОРДОННОГО СПІВРОБІТНИЦТВА УКРАЇНСЬКОГО ПРИДУНАВ'Я В КОНТЕКСТІ ПОЛІТИКИ ЗГУРТОВАНОСТІ

Актуальність. Актуальність дослідження полягає у необхідності вдосконалення інституційного середовища транскордонного співробітництва в регіоні Українського Придунав'я з приоритетом в економічному вимірі. Проблема відставання регіону у соціально-економічному розвитку від обласного центру та більшості сусідніх територій послаблює його згуртованість на всіх рівнях та призводить до соціальної напруженості. Особливості розташування Українського Придунав'я відкривають можливості для транскордонного співробітництва регіону. Проте ці можливості використовуються недостатньою мірою.

Сучасні виклики здійснення повоєнного відновлення України вимагають залучення всіх наявних ресурсів та інструментів, тому реалізація потенціалу транскордонного співробітництва Українського Придунав'я в сфері економіки може визначатися стратегічним завданням розвитку країни та являти собою предмет наукових досліджень. Сучасні виклики здійснення повоєнного відновлення України вимагають залучення всіх наявних ресурсів та інструментів, тому реалізація потенціалу транскордонного співробітництва Українського Придунав'я в сфері економіки може визначатися стратегічним завданням розвитку країни та являти собою предмет наукових досліджень. Реалізація проєктів транскордонного співробітництва (ТКС) є одним зі способів реалізації політики згуртованості, проголошеної в ЄС основною інвестиційною політикою та визнаною головною ціллю Державної стратегії регіонального розвитку в Україні на період до 2027 року.

Мета та завдання. Метою статті є визначення стратегічних напрямів, заходів та інструментів вдосконалення інституційного забезпечення участі громад та регіонів Українського Придунав'я в процессі економічного співробітництва на основі врахування локальних переваг, залучення місцевих ресурсів та використання адаптації вітчизняної нормативно-правової бази та спільних інвестицій. Відповідно до цього, автори зосередили увагу на визначенні основних стратегічних напрямів відновлення ТКС в регіоні, які враховують особливості та вимоги заходів в області згуртованості, соціальної та економічної стабільності.

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Для розробки актуальних механізмів та заходів вдосконалення інституційного забезпечення розвитку транскордонного економічного співробітництва застосовані методи системного, статистичного аналізу, метод узагальнення, методи логічного аналізу інституційного базу транскордонного співробітництва.

Результати. У статті досліджено нормативно-правову базу транскордонного співробітництва в Україні. Проаналізовано такі програмні документи як Державну стратегію регіонального розвитку, Державну програму розвитку транскордонного співробітництва, Програму реалізації в Одеській області Стратегії ЄС для Дунайського регіону на 2020-2022 роки. На основі цього аналізу визначено, що програмні документи є узгодженими, проте наразі немає стратегії та програми розвитку Українського Придунав'я. Досліджено доступні програми ТКС для регіону та виявлено, що у державних програмних документах достатньою мірою представлена лише Дунайська транснаціональна програма. Аналіз Програми реалізації в Одеській області Стратегії ЄС для Дунайського регіону на 2020-2022 роки показав, що найбільше заходів заплановано для розвитку транспортного комплексу регіону та управління екологічними ризиками. На основі аналізу чинних проектів Українського Придунав'я виявлено, що їх кількість та направленість є характерною для регіонів з низьким рівнем економічного розвитку. Доведено, що економічна складова розвитку регіону є базою для налагодження ТКС, тому заходи та інструменти для активізації ТКС мають орієнтуватися на підвищення рівня економічного розвитку регіону. Досліджено проблему інституційної спроможності бенефіціарів (регіонів, громад, інших реальних та потенційних суб'єктів ТКС) та виявлено, що порівняно з країнами-членами ЄС, для яких є доступною вся інформація про актуальні програми ТКС у базі даних keep.eu, звіти про їх виконання та необхідний науково-методичний супровід для їх ініціювання, в Україні навіть немає ресурсу проектів транскордонного співробітництва. Доведено, що для оцінки можливостей регіону реалізувати проекти ТКС та залучити інвестиції у приоритетні напрямки індустріального розвитку має бути створена база даних з актуальною інформацією про цей регіон на основі статистичних спостережень за стандартами NUTS.

Висновки. Проведений аналіз інституційних аспектів транскордонного співробітництва Українського Придунав’я показав недостатню представленість бачення розвитку регіону у національних програмних документах, необхідність покращення умов економічного розвитку регіону як бази для ТКС та підвищення інституційної спроможності потенційних суб’єктів ТКС. Для активізації ТКС Українського Придунав’я запропоновано певні заходи та заходи, зокрема розвиток суб’єктності територіальних громад, розробка баз данных з результатами статистичних спостережень стану розвитку громад, інформацію про стан ТКС та науково-методичним супроводом цієї діяльності, також запропонована розробка стратегії та програми розвитку Українського Придунав’я, у яких буде визначено приоритетом індустріалізація на засадах сталого розвитку, яка забезпечить амінських рівень добробуту населення, а отже й базу для активної участі у проектах ТКС та посилення згуртованість регіону на всіх рівнях.

Ключові слова: транскордонне співробітництво, Українське Придунав’я, інституційне середовище, нормативно-правова база, інституційна спроможність, економічний розвиток.

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INSTITUTIONAL ASPECTS OF CROSS-BORDER COOPERATION DEVELOPMENT OF THE UKRAINIAN DANUBE REGION IN THE CONTEXT OF COHESION POLICY

**Topicality.** The relevance of the study lies in the need to improve the institutional support of cross-border cooperation in the Ukrainian Danube region of the Odesa region with a priority in the economic dimension. The problem is that this region lags behind in socio-economic development from the regional center and most of the neighboring territories. This weakens cohesion at all levels and leads to social tension. The peculiarities of the location of the Ukrainian Danube region open up opportunities for cross-border cooperation. However, these opportunities are underused. The current challenges of implementing the post-war reconstruction of Ukraine require the involvement of all available resources and tools. The realization of the potential of cross-border cooperation of the Ukrainian Danube region in the field of economy can be defined as a strategic task of the country's development and be the subject of scientific research aimed at development of an institutional framework, mechanisms and tools to ensure the intensification of cooperation with the regions of neighboring EU countries in the implementation of common projects in the real economy. The implementation of cross-border cooperation projects (CBC) is one of the ways to implement the cohesion policy, proclaimed in the EU as the main investment policy and defined as the main goal of the State Strategy for Regional Development in Ukraine for the period up to 2027.

**Aim and tasks.** The purpose of the article is to identify strategic directions, measures and tools for improvement of the institutional support for the participation of communities and regions of the Ukrainian Danube region in the process of economic cooperation on the basis of local advantages, attracting local resources and prospects for adapting the domestic regulatory framework for cross-border cooperation to the requirements, principles and rules of the EU countries. The main tasks are: to identify problems and prospects for improving the institutional environment that determines the potential of the CBC for the Ukrainian Danube region; to establish current priority areas for CBC, taking into account national and European regulatory documents that determine the development strategy for CBC; to propose some measures for improvement of the institutional environment in the context of the cohesion policy and ensuring the post-war reconstruction of Ukraine.

To develop effective measures to improve the institutional support for the development of cross-border economic cooperation, the systemic approach, statistical analysis, method of generalization and methods of logical analysis of the institutional basis for cross-border cooperation were applied.

**Research results.** The article explores the legal framework for cross-border cooperation in Ukraine. Such policy documents as the State Strategy for Regional Development, the State Programme for the Development of Cross-Border Cooperation, the Program for the implementation in the Odesa region of the EU Strategy for the Danube region for 2020-2022 were analyzed. Based on this analysis, it was determined that the program documents are consistent, but there is no strategy and program for the development of the Ukrainian Danube region yet. The available CBC programs for the region were studied and it was found that only the Danube transnational program is sufficiently represented in the state policy documents. An analysis of the Program for the Implementation of the EU Strategy for the Danube Region for 2020-2022 in the Odesa region showed that most of the activities are planned for the development of the transport infrastructure of the region and the management of environmental risks. Based on the analysis of existing projects in the Ukrainian Danube region, it was revealed that their number and priorities are typical for regions with a low level of economic development. The economic component of the development of the region is the basis for the cross-border cooperation, therefore, measures and tools for enhancing the CBC should focus on raising the level of economic development of the region.

The problem of the institutional capacity of the region has been studied and it has been revealed that, in comparison with the EU Member States, for which all the needed information about the current CBC programs, reports on their implementation and the necessary methodological support for their initiation is available in the database (keep.eu), Ukraine does not even have a register of cross-border cooperation projects. It has been proved that in order to assess the region's capabilities to implement CBC projects and attract investments in priority areas of industrial development, a database of up-to-date information about this region should be created based on statistical observations according to EU common classification of territorial units for statistics (NUTS).

**Conclusion.** The analysis of the institutional aspects of cross-border cooperation in the Ukrainian Danube region showed the insufficient representation of the vision of the development of the region in Ukrainian policy documents, the need to improve the conditions for the economic development of the region as a basis for CBC and increase the institutional capacity of potential participants in cross-border cooperation. To stimulate cross-border cooperation in the Ukrainian Danube region, certain tasks and activities are proposed, in particular, the creation of the strategy and program for the development of cross-border cooperation of the Ukrainian Danube region, which will...
prioritize industrialization based on sustainable development, the development of the subjectivity of territorial communities, the creation of a database with the results of statistical observations of the state of community development and information on the state of the CBC and methodological support for this activity.

**Keywords:** cross-border cooperation, Ukrainian Danube region, institutional environment, regulatory framework, institutional capacity, economic development.

**Problem statement and its connection with important scientific and practical tasks.** Natural resource provision and advantageous geographical location of the subregion of the Ukrainian Danube region of the Odesa region determines the high potential for the development of its economic system, creation of extensive networks of cooperation of business structures at the local level, as well as in inter-municipal, border and cross-border levels. However, as a result of assessing the level of social and economic development of this region, it can be concluded that such a significant potential is not used enough. The gap between the levels of economic development of the Ukrainian Danube region, the city of Odesa and most of the territories of the Odesa region creates significant social tension, causes a deterioration in the development prospects of the region, reduces investment attractiveness and provide some depressive features to the region.

The process of reforming the system of local self-government and administrative-territorial organization has opened up new opportunities for more efficient use of subregional resources based on the principles of decentralization and subsidiarity, which allow more flexible solutions to existing economic and social problems. One of the effective ways of usage of the border location benefits of the territorial communities of the Ukrainian Danube region is to intensify the cross-border cooperation. This form of relations helps to bridge the gap in the development of regions both at the national and international levels, it strengthens the cohesion of regions, ensures a balance of levels of satisfaction of the population needs. Cohesion is also defined as the main goal of the State Strategy for Regional Development of Ukraine for 2021-2027. The implementation of cross-border cooperation and increasing the level of cohesion must be ensured, first of all, in the economic dimension, as the formation of a strong economic base is a priority for further financial support for development and cooperation initiatives in other spheres of public life. But the problem is that the formal establishment of the institutional framework that defines the regulatory framework for cross-border cooperation is not a guarantee for intensifying the community cohesion. The institutional environment as a complex social system contains both formal and informal institutions. And the quality of these institutions is a key determinant of the effectiveness of the implementation of cohesion policy. Creating favorable conditions for attracting investment and encouraging communities to implement projects based on inter-municipal and cross-border cooperation is an important step to improve the quality of life of residents of the region, as well as to ensure Ukraine's security and cohesion at the national level. Cross-border cooperation can also be an effective tool for the post-war reconstruction of the country. The hostilities caused significant damage to the national economy, worsened the well-being of the population and caused a temporary widening of the economic development gap with the EU member states. Therefore, in order to implement the policy of cohesion in the inter-municipal and cross-border dimensions, the intensification of cooperation in the Ukrainian Danube region in economic and other areas should become one of the main means of supporting post-war reconstruction.

The scientific problem considered in this article is the definition of strategic vectors, measures and mechanisms to improve the institutional support of cross-border cooperation in the context of ensuring the convergence of national and European policies of cohesion and promoting postwar reconstruction, based on detailed analysis and identification of key factors of institutional conditions improvement for economic cooperation on the example of the Ukrainian Danube region.

**Analysis of recent publications on the problem.** Institutional support of cross-border cooperation as a system of laws, regulations and organizations that determine the interaction of cooperation entities has been studied for many years by well-known foreign and Ukrainian scholars. The results of these studies reflect the constant development and transformation of views on the essence and role of institutional support in the process of cross-border cooperation. On the one hand, some institutions are established at the legislative and regulatory level, and some are determined by the peculiarities of the historical development of a particular area. Therefore, there are a large number of publications that explore both formal and informal institutions. Among the basic studies that determine the essence of institutions and the institutional environment, their evolution, we can name well-known representatives of the institutional theory: D. North, T. Veblen, J. R. Commons, W. C. Mitchell. The formation of favorable conditions for economic development was studied by M. E. Porter, who argued that each territory has its own characteristics, so given this, you can find competitive advantages and use them.
Forms of development of cross-border cooperation, some organizational aspects, mechanisms and directions were studied in the works of the following scientists: O. Demedyuk [1], Z. Siryk [2], V. Khymynets, A. Holovka, O. Mirus [3], Kh. Prytula [4]. Problems of spatial development and territorial economic cooperation in the context of the formation of special economic regimes with green economic development in the context of European integration are thoroughly covered in the works of I. K. Bystriakov, I. Pidorycheva [5], I.V. Zablodska. Prospects for the development of cross-border cooperation of regions with the shadow economy problem are formulated in the works of V.S. Kravtsov, I. Z. Storonyanska, H. M. Prytula, Y. I. Stadnytsky, V. V. Borschevsky [6]. The promotion of investments, creation of favourable conditions for strategic investments for implementation the principles of sustainable development in the context of European integration are presented in the works of B. Burkinskyj [7, 8], O. Laiko, O. Iermakova, S. Kovalenko [9, 10] A. M. Araftenii. Despite the high potential of cross-border cooperation of the Ukrainian Danube region, the territorial communities of this region do not use it effectively enough. Constant changes in the institutional environment, the growing relevance of European integration processes, the need to deal with the consequences of hostilities, to strengthen cohesion at all levels of socio-economic life require the research of the possibilities and conditions of cross-border cooperation of the Ukrainian Danube region.

Allocation of previously unsolved parts of the general problem. Despite the large number of scientific publications on cross-border cooperation of territorial and economic systems, comprehensive measures to promote cross-border economic cooperation in border regions of Ukraine in the context of ensuring their participation in the division of labour, the competitive advantages usage, in the conditions of pandemic and hostilities consequences with general structural underdevelopment and depressed state of the territories have not been developed and scientifically substantiated. Cross-border cooperation is one of the ways of implementation of community cohesion policy in social and economic and other areas. Its capabilities largely depend on the institutional environment of a particular region and the willingness of participating communities to cooperate.

One of the priority areas of cooperation of territorial units is to stimulate development in the economic sphere. It is necessary to provide the creation of the value added which is based on efficient use of advantages and available resources of territories, which will generate resources for implementation of the initiatives in social, environmental, ethnic and other areas.

The Ukrainian Danube region has a strong potential for cross-border cooperation, but difficulties with its implementation pose a problem of thorough investigation of the state and prospects of its development. The use of the possibilities to participate in cross-border cooperation programs depends on the state of the institutional environment. The revival of economic activity in the current state of critical impact of hostilities can be possible by attracting significant investments in the development of cooperation between communities and regions of Ukraine and neighboring European countries by making common projects aimed at production of goods and services of strategic importance with high value added. Creation and development of extensive networks of cooperation and other forms of economic cooperation, decentralization of operational management systems on the basis of a common sustainable institutional framework to promote investments, support the implementation of priority areas of economic development in subregional inter-municipal and cross-border formations contribute to increasing the overall resilience of such economic systems, which is especially important in the conditions of combating the destructive effects of hostilities.

Therefore, it is important to identify priority areas for intensifying of cross-border cooperation of communities of the Ukrainian Danube region in the economic sphere, to provide the relevant tools and measures to develop these priority areas which are established on the basis of regulatory framework analysis for cooperation in Ukraine and neighboring countries of the Danube region. It is necessary to consider the effectiveness and adjustment of the proposed regulatory measures to improve the institutional support of economic cooperation of regions and communities in the cross-border dimension.

Formulation of research objectives (problem statement). The aim of the study is to formulate strategic directions, measures and tools to improve institutional support for the participation of communities and regions of the Ukrainian Danube region in the process of economic cooperation based on local preferences, local resources and prospects of adapting Ukrainian regulatory framework of cross-border cooperation to the regulatory framework of the EU. One of the purposes of the study is to identify the level of coherence of program documents of cross-border economic development and cooperation in Ukraine and neighboring EU countries on the example of the Ukrainian Danube region of the Odesa region. It is important to outline the priorities of improvement of the institutional environment, which will enhance cross-border cooperation of the Ukrainian Danube subregion in economic and other aspects and justify the need to
use organizational, regulatory, informational, scientific, methodological, financial and tax policy tools to enhance cooperation of the Ukrainian Danube subregion with regions of neighboring countries on the basis of attracting investments, development of networks of horizontal cooperation of economic entities and improving key indicators of welfare and development of territorial and economic systems.

An outline of the main results and their justification. The Ukrainian Danube region of the Odesa region is a border area with a multinational population. The advantage of this region is access to the Danube river, which links the countries of Eastern and Central Europe. This region borders on the territory of Romania and Moldova, so this provides opportunities for cross-border cooperation with the respective border territories of these countries. Cooperation with neighboring regions is complicated by the fact that there are different political systems, participants with different levels of well-being and institutional environment. However, a positive feature is that the regions adjacent to the Ukrainian Danube region are close in culture, they have common historical events, similar environmental and climatic problems. Such an institutional environment creates a certain commonality of interests, which acts as a powerful motivation for the creation of cross-border cooperation projects.

The development of cross-border cooperation for the Ukrainian Danube region is declared as an urgent direction in many development programs, but this opportunity has not become a driver for the development of the region. For example, even in the Program for the Comprehensive Development of the Ukrainian Danube Region for 2004-2011 [11], some tasks were proposed to stimulate cross-border cooperation by simplifying the crossing of the Ukrainian-Romanian and Ukrainian-Moldovan state borders, increasing the number of checkpoints at these borders, and also promoting the development of border trade within the Euregion “Lower Danube”. These measures are still relevant for the region. Currently, the institutional environment of the Ukrainian Danube region has changed. Since 2015 administrative and territorial reform in Ukraine has been carried out, which increases decentralization, so this has provided new opportunities for the development of territorial communities. Modern challenges require a high quality of the institutional environment, which should create conditions for the sustainable development of the region.

The state of the institutional environment determines the ability of the region to be an effective subject of economic relations and provide favorable conditions for doing business, which is especially important due to Ukraine’s course towards European integration, and therefore for the formation of interest in cross-border cooperation with the territorial communities of the Ukrainian Danube region. The creation of economic interest in the joint implementation of cooperation projects is a key factor in ensuring the effectiveness of the institutional framework in this area.

The studies carried out by economists of the Lviv and Kyiv schools of regional economics show that cross-border cooperation in all regions of Ukraine bordering the EU countries is developing very slowly and does not lead to significant positive changes, especially in the economic sphere [6]. In addition to the official, general and formal part of the regulatory environment that forms the institutional framework for cross-border cooperation, there is also an informal component that can complement the official one in a complimentary and positive way, and can, in the absence of proper control and regulation, have a negative impact. Due to the lack of sufficiently detailed and specific tools to stimulate cooperation and attract investment in the implementation of cross-border cooperation projects, the Euregions in Ukraine did not become, as expected, points of economic growth. The lack of proper regulation and economic incentives for the legal economic activity based on attracting investments has led to the formation of a powerful trend in the development of informal, illegal and semi-legal cooperation, manifested in smuggling and other criminal activities that negatively affect social and economic well-being and formation of budget funds at all levels.

The experience of creating and functioning Euroregions in Ukraine and the Ukrainian Danube region, in particular, showed their relatively low efficiency, especially in the economic sphere. Thus, the area of the border subregion of the Ukrainian Danube region is 39.3% of the area of the Odesa region, however, the population density of this territory is half the average for the region (23.8% of the population of the region lives in the subregion, and the density of population is 35.9 people / km² compared to 71.8 people/km² on average for the region). The relative values of economic development indicators are even lower: the sub-region has a share of retail trade turnover in the region at the level of only 6.7%, and capital investments account for only 11.4% of the total capital investment in the region. The investment position of the subregion in the economy of the Odesa region is extremely weak and the situation has only worsened in recent years.

At the same time, partner countries such as Romania and Moldova have been rather successful in using the geostategic advantages of being located in the Lower Danube region for their economic development in recent years. Romania, which has become a member of the EU and has improved the institutional support of its socio-economic development, thanks to the Danube port and canal infrastructure,
plays the role of a cargo-and-passenger hub and develops large projects related to water transport in the field of energy and ecology. Moldova, having received its own access to the Danube coast, and access to the Black Sea through it, has turned into a maritime state that is developing a port complex with oil container, grain and other Giurgiulesti terminals.

To improve the situation, complex coordinated actions are needed to increase the economic attractiveness of cooperation between regions and communities in cross-border relationships. The results of previous studies and the experience of using regulators of the activity of business entities indicate that taking measures to limit illegal cooperation is not the most effective means of stimulating legal economic activity [12]. This requires measures to increase attractiveness and ensure the profitability of the implementation of investment projects at the legal level.

The creation of such favorable conditions is necessary to ensure a more active economic development of territorial and economic systems in the regions of Ukraine in order to create a basis capable of generating material and financial resources for the post-war reconstruction of the affected territories. The functioning of cross-border economic formations will contribute to the long-term strategic development of the country, the sustainability and rationality of using the existing potential in the process of participating in the international division of labour.

The experience of EU Member States has shown that the use of cross-border cooperation opportunities is quite effective [6]. The main feature of organizing and stimulating cross-border cooperation in the EU countries and other developed countries of the world is the use of a certain algorithm of actions when constructing scenarios for ensuring development, in which priority is given to the formation of conditions for attracting investment and developing the economic basis. A developed economic system creates the proper conditions for self-development and resource provision of the territorial economic system, which is sufficient for the implementation of other public initiatives. The application of such a scenario allowed developed countries to transform border areas from predominantly peripheral areas into economically successful points of concentration of capital and material resources.

The priority of ensuring the economic development of the territories in the EU countries made it possible to form informal sub-regional functional economic entities that actually operated and began to function as growth points, but were not administratively allocated. The next step was the administrative and territorial reform, which made it possible to consolidate the existing territorial and economic configurations, facilitate their access to public services, and increase the level of harmonization and sustainable development. We believe that this method and algorithm of institutionalizing the development of communities and ensuring cross-border cooperation with the priority of ensuring economic development should be applied in Ukraine (Fig. 1).

The general institutional framework for ensuring cross-border cooperation without special tools to attract investments and boost economic growth does not bring positive changes, but rather creates even greater prerequisites for the outflow of labor and capital abroad, for the development of smuggling and other forms of illegal business [6].

The effective measures for stimulating economic cross-border cooperation for the Ukrainian Danube region can be determined on the basis of a detailed analysis of the existing institutional framework. To analyze the institutional environment for cross-border cooperation, a systematic approach can be applied, reflecting the versatility and dynamism of the institutional environment. On the one hand, it reflects a certain order in relations between the state, business and citizens, and on the other hand, it includes informal institutions that are specific to a particular region. For a detailed analysis of the institutional support of cross-border cooperation in this study, we propose such an analysis procedure as an assessment of the state of the Ukrainian regulatory environment for cross-border cooperation; examination of current European programs of cross-border cooperation and the specifics of the institutional environment of the Ukrainian Danube region in terms of the possibilities for implementing projects of economic cross-border cooperation.

Since 2004, the Law of Ukraine “On Cross-border Cooperation” has been adopted [13]. This Law defines the essence, goals and principles of cross-border cooperation, its organizational forms, subjects, their agreements and state support. According to this Law, the subjects of cross-border cooperation are “territorial communities, their representative bodies and their associations, local executive authorities of Ukraine interacting with territorial communities and relevant authorities of neighboring countries within their
competence” [13]. The Law states that “cross-border cooperation is joint actions aimed at establishing and deepening economic, social, scientific, technological, environmental, cultural and other relations between the subjects and participants of such relations in Ukraine and the relevant subjects and participants of such relations with neighboring countries within the limits of their competence as determined by their national legislation”. The analysis of this definition with the help of semantic analysis provides a basis for identification of the relevant components of the institutional support of cross-border cooperation, the influence on which will allow achieving strategic development goals in all components of a wide range of areas of interaction between cooperation participants (Table 1).

Table 1

<table>
<thead>
<tr>
<th>Subjects</th>
<th>Objects</th>
<th>Goals</th>
<th>Forms</th>
<th>Principles</th>
</tr>
</thead>
<tbody>
<tr>
<td>territorial communities; representative bodies of territorial communities; association of territorial communities; local executive bodies</td>
<td>- economic, - social, - scientific, - technological, - environmental, - cultural, - other relations between the subjects</td>
<td>- creating favorable conditions for effective and mutually beneficial cooperation of entities and participants in cross-border cooperation, - improving the socio-economic development of regions and living standards.</td>
<td>- Euroregion; - Euroregional Cooperation Grouping; - European Grouping of Territorial Cooperation</td>
<td>- legitimacy; - a clear distribution of tasks, powers and responsibilities between the subjects of cross-border cooperation; - harmonization of national, regional and local interests; - ensuring equal opportunities for the regions of Ukraine for cooperation within the framework of cross-border cooperation; - delimitation of responsibility and authority between central and local authorities in order to solve problems and tasks in the field of cross-border cooperation effectively; - creation of effective mechanisms to ensure the conditions for the implementation of cross-border cooperation.</td>
</tr>
</tbody>
</table>

Concluded according to the Law of Ukraine “On Cross-border Cooperation” [13].
Improving the approach to conducting a systemic semantic analysis on the totality of the generic concept and essential features developed to the components defined in Table 1, proposed by scientists of the Institute of Market and Economic and Ecological Research of the National Academy of Sciences of Ukraine, A. I. Uyomova and V. F. Goryachuk, made it possible to identify the relevant parts of the essence of cross-border cooperation in terms of scientific and applied importance [14]. The key component (generic concept) is the common actions to ensure development, and the essential features are determined by the areas of implementation of the development vectors, namely: in the areas of development of economic, social, scientific, technological, environmental, cultural and other relations on the basis of compliance with national legislation by the subjects of cooperation. To ensure the socio-economic development of territorial economic systems and improve the corresponding institutional basis, it is necessary to determine priorities, mechanisms and specific tasks, as well as to determine organizational forms and procedures for implementing cooperation activities and projects. Without denying the absolute importance of all components and areas of cross-border cooperation, the priority of the economic component is the most important, since it will create added value as a source for ensuring the implementation of social, environmental and other initiatives. Therefore, measures and mechanisms to stimulate cooperation that will increase economic activity, as well as affect the economic interests of the subjects of cooperation, are top priorities and will have the greatest success and effectiveness in implementation. An important issue is also the definition of institutional units – initiators and subjects of cooperation, as well as the formation of effective and favorable conditions and forms through which cross-border cooperation will take place on the basis of sustainable development.

Cross-border cooperation can take place in three organizational forms: Euroregion, Eurorregional Cooperation Grouping and European Grouping of Territorial Cooperation. “Euroregion is an organizational form of cross-border cooperation, carried out in accordance with bilateral or multilateral agreements on cross-border cooperation”. At the same time, the Law does not specify what status the euregion has, in contrast to the definitions of the Eurorregional Cooperation Groupings and European Grouping of Territorial Cooperation. “Eurorregional Cooperation Grouping is an organizational form of cross-border cooperation with the status of a legal entity in accordance with the national legislation of the state in whose territory it is located, the purpose of which is to encourage, support and develop, in the interests of the population, cross-border and inter-territorial cooperation between the subjects and participants of such relations in the areas of common competence and in accordance with powers established in accordance with the national legislation of the respective state. European Grouping of Territorial Cooperation is an association of subjects of cross-border cooperation of Ukraine and the relevant subjects of neighboring Member States of the European Union with the status of a legal entity in accordance with the national legislation of the Member State of the European Union, in whose territory its association is located” [13]. That is, the essential difference between the Eurorregional Cooperation Grouping and the European Grouping of Territorial Cooperation lies in the fact that the first form provides for cooperation between Ukraine and the member states of the Council of Europe, and the second form provides for the Member States of the European Union (at least one state must be a member of the EU) that border Ukraine. Accordingly, the establishment and regulation of these forms of cross-border cooperation is carried out by the legislation of the country in whose territory the status of a legal entity is registered, but the legislation of Ukraine cannot be violated. Thus, the Ukrainian Danube region borders on the countries of the Council of Europe – Moldova and Romania, which means it can implement cross-border cooperation with them through the Eurorregional Cooperation Grouping. Since Romania is a member of the European Union, the territorial communities of the Ukrainian Danube region can cooperate with the counties of Romania on the basis of bilateral or multilateral agreements in the form of the European Grouping of Territorial Cooperation. But at the same time, the Law determines that the European Grouping of Territorial Cooperation must be formed on the territory of a member state of the European Union, and therefore, in compliance with the national legislation of this state.

Among the principles defined by the Law of Ukraine “On Cross-border Cooperation” (table 1), there is the principle of harmonization of national, regional and local interests. Its observance is carried out through the development and implementation of state strategies and development programs that are consistent and complement each other. The results of the decentralization process also make it possible to apply the principle of subsidiarity, the essence of which is the need to transfer to the highest levels of management only those functions and tasks that are impossible to perform at the basic level or are significantly complicated due to lack of resources and powers. That is, an increasing number of issues of financial, organizational, economic and other support for cooperation in the inter-municipal and cross-border
dimensions can be resolved to a greater extent by local territorial communities without the participation of regional and state authorities. This greatly simplifies the processes of cooperation.

The State Strategy for Regional Development for 2021-2027 contains the current directions for the economic growth of the regions, which are determined on the basis of an analysis of current problems and prospects for the development of the regions of Ukraine [15]. The Strategy is based on the Sustainable Development Goals which are to be achieved by 2030. This direction sets specific goals for regional development for a certain period. The current Strategy relies more on a territorial approach rather than a purely sectoral one. This really gives a better vision of economic development, since the region's economy is not the sum of enterprises from different industries. It has its own specifics of development in a particular region, so the development of the region should be considered systematically. The Strategy is based on a combination of sectoral and territorial approaches. The idea is that regions should use their development potential, find growth points through which the positive impact will spread to the entire region, and intensify comprehensive cooperation at the interregional level, including cross-border cooperation.

The current State Strategy for Regional Development defines different types of territories on the basis of the determining conditions for their development. This gives an understanding that the state policy for the development of these territories cannot be universal. The territories of the Ukrainian Danube region have some specific features which define this region as the border region [15]. The appendix to the State Strategy for Regional Development specifies tasks directly related to cross-border cooperation of the Ukrainian Danube region (Fig. 2).

![Cross-border development of the Ukrainian Danube region in the State Strategy for Regional Development for 2021-2027](image)

Fig. 2. Cross-border development of the Ukrainian Danube region in the State Strategy for Regional Development for 2021-2027

There are tasks in the direction “Development of the territories of the Ukrainian part of the Danube region and cross-border cooperation” in the State Strategy for Regional Development. They are a part of Strategic Goal I. “Formation of a cohesive state in the social, humanitarian, economic, environmental, security and spatial dimensions” and Operational Goal 2 “Preservation of the natural environment and sustainable use of natural resources, strengthening the development opportunities for territories requiring state support (macro and micro levels)”. The tasks reflect the actual problems of cross-border cooperation in the region, which lie in the level of participation of representatives of this region in the implementation of cooperation programs, it is also underlined that the strategies of the region should take into account the EU Strategies for the Danube region. The Strategy states that the state should facilitate the attraction of funds from international technical assistance and international financial organizations, stimulate the formation and development of cross-border clusters, and introduce mechanisms to support cross-border industrial and technological parks, economic and industrial zones on the territory of Ukraine. Also, this Strategy indicates specific areas for socio-economic improvement and environmental development through the development of infrastructure for transport communication with the States of Danube region, the importance of addressing the issue of ensuring high-quality water and flood protection of the relevant territories.

Thus, the State Strategy for Regional Development for 2021-2027 offers a fairly complete picture of the tasks for realizing the potential of cross-border cooperation in the Ukrainian Danube region. There is more detailed vision of the development of this area in the “State Program for the Development of Cross-Border Cooperation for the Period up to 2027 and Ensuring its Implementation”.
“The State Program for the development of cross-border cooperation for the period up to 2027 and ensuring its implementation” contains conclusions on the implementation of the previous program for 2016-2020, as well as a list of problems hindering the effectiveness of cross-border cooperation in Ukraine [16]. This program defines priority areas for the implementation of cross-border cooperation, among which is the implementation of the European Union Strategy for the Danube Region and the Danube Transnational Programme; implementation of projects (programs) financed by international technical assistance, as well as border cooperation programs within the framework of the European Territorial Cooperation for 2021-2027 under the financial instrument “the Neighbourhood, Development and International Cooperation Instrument” (NDICI); ensuring the development of the institutional capacity of the subjects and participants of cross-border cooperation. The program describes the expected results, indicates the possibilities and procedure for financing the program. State financial support for the project can be provided after this project has been submitted for consideration to the Cabinet of Ministers of Ukraine, which will determine a certain amount of funding. At the same time, there should be co-financing “in the amount of at least 10 percent of the total volume of financing of the project (program) of cross-border cooperation from the local budget and / or other sources not forbidden by law. Thus, it is quite difficult to get financial assistance for cross-border cooperation projects from the state budget.

The State Program defines tasks for the implementation of each of the priority areas, as well as an action plan for the planned budget expenditures only for the direction “measures aimed at enhancing cross-border cooperation”. There is no information on projects for other priority areas at this stage. This program contains a resolution on bringing regional programs for the development of cross-border cooperation in line with the State Program. in this program there is a link to the document on the “State Program for the Development of the Ukrainian Carpathians Region”, however, there is no similar document on the program for the development of the Ukrainian Danube region. But at the same time, the Odesa Regional Council approved a document that discloses measures to implement the EU strategy in this region – “The Program for the implementation in the Odesa region of the EU Strategy for the Danube region for 2020-2022” [17]. That is, this program is aimed at implementing the priority direction specified in the “The State Program for the development of cross-border cooperation for the period up to 2027 and ensuring its implementation”. Other priority areas relevant for the Ukrainian Danube region were not indicated enough. EU policy instrument NDICI – “Global Europe” was proposed in 2018 and approved on June 9th, 2021 by the European Parliament. In the “Multiannual Indicative Programmes 2021-27”, Armenia, Azerbaijan, Ukraine and the Eastern Region are listed among the Eastern partners [18]. The purpose of this instrument is to provide flexibility in cooperation with third countries to the EU. It is necessary to study and use its capabilities to ensure the post-war reconstruction of Ukraine. For example, for Ukraine, the program “Multiannual Indicative Programme (MIP) 2021-2027 for Ukraine” was compiled [19]. This program prioritizes the following areas: 1) a resilient, sustainable and integrated economy; 2) accountable institutions, the rule of law and security; 3) environmental and climate resilience; 4) a resilient digital transformation; 5) a resilient, gender-equal, fair and inclusive society. It is also noted that for Ukraine it is necessary to form a single project pipeline to provide investments in all strategic areas. This suggestion is driven by the fact that all projects should be supported by the country’s reforms towards the rule of law, good governance and justice. Based on the previous experience of cooperation within the framework of the Eastern Partnership, the problem with institutions was highlighted as a key one. In this program, each of the priority areas is analyzed, indicators for assessing development in each area and goals for the period of the program are also determined.

Odesa region is a member of the Interreg NEXT Black Sea Basin programme within the framework of the European Neighbourhood Instrument [20]. The Programme concerns the territories of Romania, Bulgaria, Greece, Georgia, Republic of Moldova, Russia, Turkey, Armenia and Ukraine. The program for the period 2021-2027 was approved by the European Commission and the participating countries on May 10, 2022. This program aims to ensure sustainable development and improve the ecological state of the region. The Ukrainian Danube region is an important region for achieving the goals of this program, as the Danube flows into the Black Sea. To develop a sustainable blue economy, it is proposed to encourage businesses to introduce innovations that make it possible to use marine resources efficiently and protect the environment, to encourage the transition to clean energy, a circular economy, risk management and increase green investments. This program and the Danube Transnational Programme can create synergies and support the achievement of common priorities. The Danube transnational Programme is listed as a priority in the State Program for the development of cross-border cooperation.
Cooperation in the Danube region began in 1996, when the CADSES program was created. It covered more territories than the Danube Transnational Programme, but it can be considered as the direct predecessor of the Danube Transnational Programme. Actually, the Danube Transnational Programme within the current borders has been carried out since 2014 in the program period for 2014-2020. It includes nine EU Member States, three current or potential candidates for EU membership and two countries covered by the European Neighbourhood Policy, including Ukraine. The Ukrainian part of the Danube region includes Odesa region, Ivano-Frankivsk region, Chernivtsi region and Zakarpattia region. The current Danube Region Program for 2021-2027 defines the following priorities:

1) A smarter Danube Region;
2) A greener, low-carbon Danube Region;
3) A more social Danube Region;
4) A better cooperation governance in the Danube Region [21].

The purpose of this program is to promote cross-border cooperation in the Danube region in order to overcome common problems, ensure sustainable development and increase the cohesion of countries.

For development in this direction, “The Program for the implementation in the Odesa region of the EU Strategy for the Danube region for 2020-2022” has been created [17]. This program was drawn up when the previous Danube Transnational Programme for 2014-2020 was adopted, however, in general, the content of the priority areas remained the same.

“The Program for the Implementation of the EU Strategy for the Danube Region for 2020-2022 in the Odesa region” contains activities that meet the approved priority areas in the State Program for the development of cross-border cooperation. This program plans activities for the implementation of priority tasks in line with the EU Strategy for the Danube region. There are deadlines, executors, sources of funding, estimated amounts of funding and expected results are determined for each activity in the Program. That is, those types of activities that contribute to the development of the Ukrainian Danube region and should be implemented with state support are indicated. The development of these areas is really important for the economic development of the region, and therefore makes cross-border cooperation possible. The areas of activity of the Program for the Implementation of the EU Strategy for the Danube Region for 2020-2022 in the Odesa region are as follows:

1) improvement of the situation in the transport sector and development of a unified transport complex:
   1а) inland navigation;
   1б) road, rail and air transport;
2) support for sustainable energy;
3) promotion of culture, tourism and people-to-people contacts;
4) restoration and preservation of water quality;
5) environmental risk management;
6) preservation of biodiversity, landscapes and the quality of air and soils;
7) improvement of education and development of knowledge society;
8) support of enterprises competitiveness;
9) investment in education and retraining;
10) institutional capacity and administration;
11) security and combating organized crime.

These directions correspond to the priorities of the economic development of the Danube sub-region and require more detailed measures to maintain economic activity. Most of the activities are planned for the development of the transport complex of the region and the management of environmental risks. Indeed, these areas have acute problems and have a great impact on the development of the region. The development of certain priority areas will make cross-border cooperation of the Ukrainian Danube region more attractive, provide real opportunities for its implementation and contribute to greater cohesion of the territories.

As a result of the analysis of the institutional support of cross-border cooperation for the regions of Ukraine, using the Danube subregion as an example, it was found that the provisions of regulatory and strategic documents create general framework conditions for cooperation and do not stimulate the processes of cooperation in the field of economic development, attracting investments and stimulating business growth. In the works of modern economists, specialists in regional development (B. Burkinskyi, I. Storonianska), the opinion is also expressed that Euroregions, as institutions for organizing cooperation between communities in a cross-border dimension, play an extremely insignificant role in the processes of implementing projects of economic cross-border cooperation and in ensuring the socio-economic
development of the border regions of Ukraine. This is due to the lack of regulation of their specific functions and tasks of ensuring cooperation and the implementation of real projects, as well as the lack of real powers to stimulate cross-border cooperation. However, the Euroregions of Ukraine, cooperating with local beneficiaries in the course of implementing grant projects over the past decades, have accumulated broad experience in coordinating cooperation and received social capital in the form of partnership networks. Therefore, in the context of increasing the institutional capacity of local and regional authorities to enhance economic cooperation between communities, it may be useful to combine the efforts of administrations and activists of Euroregions with basic territorial communities to create organizational and financial platforms to ensure cross-border cooperation. Such formations are typical for the EU countries, in which local and regional authorities have a fairly high solvency in the field of cross-border cooperation, since at the legislative level they are considered as subjects of foreign economic activity.

An important issue in the field of cross-border cooperation that needs to be addressed is the updating and actual implementation of the provisions of current agreements, as well as stimulating the processes of concluding new agreements in the field of economic cooperation between the territorial communities of the Danube region.

The following agreements are in force in the Register of Interregional Agreements on trade, economic, scientific, technical and cultural cooperation for the Ukrainian Danube region, which establish opportunities for cross-border cooperation [22]:

- Agreement on the formation of the “Lower Danube” Euroregion. In 1998, the Lower Danube Euroregion was formed, which included the nearby territories of Moldova (the districts of Cahul, Cantemir and Vulcanesti), Romania (the counties of Braila, Galati and Tulcea) and Ukraine (Odesa region). This agreement states that the area of cooperation is cross-border cooperation in the “Lower Danube” area.

- Agreement on cooperation between the Odesa Regional State Administration, the Odesa Regional Council and the county council of Iasi (Romania), was signed in 1999. The sphere of cooperation is economic and technical development, the activities of local authorities, education and science, culture and sports, youth policy, health care.

- Agreement on trade, economic, scientific, technical and cultural cooperation between the Odesa Regional State Administration and the Executive Committee of the Autonomous Territorial Unit of Gagauzia (Gagauz-Yeri) of the Republic of Moldova. The agreement was signed in 2001, the cooperation in trade and economic, scientific and technical, humanitarian and cultural spheres.

The conclusion of such agreements was carried out by regional authorities, while the communities on whose territory the Euroregion functions, in fact, remained on the sidelines. We believe that this was one of the reasons why the operation of such agreements in the field of cross-border cooperation remained a formality and did not lead to the improvement of the socio-economic development of the subregion and an increase in the well-being of its population. It is important to include communities and enterprises in cross-border cooperation processes, since it is at the base level that products and services are created, and at the base level, territorial communities can support the development of business entities in terms of their participation in the implementation of economic cooperation projects.

Combining the opportunities provided by the decentralization reform to territorial communities with the prospects for developing current agreements and concluding new agreements in the field of economic cooperation, with the aim of organizing common economic units with a high concentration of capital, capable of creating high added value in priority economic activities, is important and requires solutions in both cross-border and national dimensions.

To increase the initiative to conclude cooperation agreements, it is recommended to resolve such issues:

- the creation of economic incentives in concluding agreements (using investment support measures, initiating investment from local budgets, providing financial guarantees for contributions from participants in a cooperation project and tax incentives at the local level to increase the economic return from the implementation of projects in priority activities);
- raising the awareness of representatives of territorial communities about the possibilities and prospects for implementing cross-border cooperation, developing and implementing programs for methodological and informational support;
- overcoming the institutional failure of territorial communities and regions, both in the legal and functional dimensions.

The activation of cross-border economic cooperation requires not only separate measures to stimulate a certain type of activity in the field of cooperation, but requires more systematic actions, in particular, the
development of an action plan for the participation of communities in the implementation of the Strategy for the development of cross-border cooperation.

Such an action plan for the Lower Danube Euroregion has not been developed, but its development and implementation will make it possible to comprehensively, periodically determine relevant means of stimulating cooperation between regions and communities. The problems of institutional support of cooperation are relevant not only in the cross-border dimension, but also in the field of inter-municipal cooperation. Among the problems of the institutional environment of cross-border cooperation in strategies and programs, the problem of the low institutional capacity of subjects and participants in cross-border cooperation is noted. The problem of low institutional capacity of the Odesa region can be identified even in inter-municipal cooperation by the number of cooperation projects. In general, within the framework of inter-municipal cooperation, there were only 8 projects and 16 territorial communities of the Odesa region that implemented them (Table 2).

<table>
<thead>
<tr>
<th>Regions</th>
<th>Total number of cooperation projects</th>
<th>The number of territorial communities that benefited from inter-municipal cooperation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>by September 2020</td>
<td>by January 2022*</td>
</tr>
<tr>
<td>Vinnytsia region</td>
<td>100</td>
<td>7</td>
</tr>
<tr>
<td>Volyn region</td>
<td>27</td>
<td>1</td>
</tr>
<tr>
<td>Dnipropetrovsk region</td>
<td>12</td>
<td>17</td>
</tr>
<tr>
<td>Donetsk region</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Zhytomyr region</td>
<td>44</td>
<td>2</td>
</tr>
<tr>
<td>Zakarpattia region</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>Zaporizhia region</td>
<td>21</td>
<td>16</td>
</tr>
<tr>
<td>Ivano-Frankivsk region</td>
<td>13</td>
<td>5</td>
</tr>
<tr>
<td>Kyiv region</td>
<td>11</td>
<td>8</td>
</tr>
<tr>
<td>Kirovograd region</td>
<td>12</td>
<td>8</td>
</tr>
<tr>
<td>Luhansk region</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td>Lviv region</td>
<td>60</td>
<td>13</td>
</tr>
<tr>
<td>Mykolaiv region</td>
<td>4</td>
<td>6</td>
</tr>
<tr>
<td>Odesa region</td>
<td>2</td>
<td>6</td>
</tr>
<tr>
<td>Poltava region</td>
<td>109</td>
<td>7</td>
</tr>
<tr>
<td>Rivne region</td>
<td>17</td>
<td>14</td>
</tr>
<tr>
<td>Sumy region</td>
<td>58</td>
<td>4</td>
</tr>
<tr>
<td>Ternopil region</td>
<td>14</td>
<td>1</td>
</tr>
<tr>
<td>Kharkiv region</td>
<td>31</td>
<td>15</td>
</tr>
<tr>
<td>Kherson region</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td>Khmelnitsky region</td>
<td>11</td>
<td>1</td>
</tr>
<tr>
<td>Cherkasy region</td>
<td>36</td>
<td>4</td>
</tr>
<tr>
<td>Chernivtsi region</td>
<td>7</td>
<td>6</td>
</tr>
<tr>
<td>Chernihiv region</td>
<td>17</td>
<td>6</td>
</tr>
<tr>
<td>Total</td>
<td>620</td>
<td>153</td>
</tr>
</tbody>
</table>

* after the local elections in 2020
Concluded according to decentralization.gov.ua [23, 24]

Registration of the number of cross-border cooperation projects and evaluation of their effectiveness are not carried out officially. It is known that such projects as part of partnership programs, targeted European programs or technical assistance programs are registered by the secretariats of such programs located in the EU countries. They are usually subordinate to the administrations of the respective funds, but there is no centralized accounting, which makes it difficult to analyze the activities carried out, assess the prospects and prioritize future tasks for the relevant projects within the programs.

The low activity of communities in participating in inter-municipal cooperation is explained by a number of factors, for example, by the lack of economic interest, the low of confidence in the authorities and partners regarding potential cooperation, the lack of information and methodological support and available knowledge on the benefits of such projects. Also, the local administrations themselves in the Ukrainian part of the Danube region are not ready to make informed decisions on concluding cooperation agreements, since...
first it is necessary to conduct a proper monitoring and inventory of the existing prerequisites and resources that will make it possible to place a certain economic entity on the territory of the subregion.

Currently, information on cross-border cooperation projects is not available. It is necessary for the formation of a strategy for the development of territorial communities. According to the vertical of power in programs and strategies, cross-border cooperation is identified among the priority tasks, while the initiative to establish cooperation belongs to the territorial communities themselves. Therefore, this requires an adequate level of awareness of potential subjects of the CBC. The solution to the problem of institutional capacity is offered through various educational and cultural activities that will increase the awareness of communities about the legal algorithm and the possibilities of cross-border cooperation, provide an opportunity to establish business ties. This is a really important task, since the actual initiative of such cooperation is decentralized.

To assess the capabilities of the region, a database with up-to-date information about this region should be created. Unfortunately, there is no such database for the Ukrainian Danube region. The availability and transparency of information is an important component of decision making. As already noted, in Ukraine there are problems with the institutions of justice, security, high prevalence of corruption and other problems that hinder cooperation. These factors are significant obstacles to the implementation of joint investment projects. Therefore, in order to improve the institutional environment, it is necessary to ensure the transparency of information about the Ukrainian Danube region.

For example, the keep.eu database site collects information on cross-border, transnational and interregional cooperation between the countries of the European Union [25]. It contains data on program budgets, partners, projects and areas of cooperation since 2000 and current programs for 2021-2027. Based on this data in the article “Institutional mapping of cross-border cooperation. INTERREG program analyses with KEEP data”, various German cross-border cooperation programs are analyzed [26, p. 14]. The authors came to the conclusion that Poland and the Czech Republic immediately became active participants in the INTERREG programs, but the transformation process took place simultaneously with the formation of a new regional policy. For countries located in the east of Europe, the most characteristic problems were institutional differences and significant language barriers. It also turned out that the new EU members usually have a smaller budget for cooperation programs, and project participants from Ukraine under the Danube Interreg program did not always have the opportunity to finance the implementation of activities under this program due to the lack of their own resources (since the conditions of the program imply initial financing of activities at the expense of the participants themselves at each stage of the project, and after the approval of the expenses by the FLC auditor, 85%-90% of such expenses are compensated from EU funds).

Cross-border cooperation with the western neighbors turned out to be more ambitious due to the higher level of economic development and the greater level of urbanization of the border areas. This leads to better potential for program implementation. In regions with high population density, the economic sector has better potential for innovation, since people do not leave the region, and therefore there is no brain drain. Therefore, it contributes to greater cross-border cooperation, and hence better cohesion level. Also, the authors of the above article came to the conclusion that participants who have smaller parts of project co-financing have a low level of well-being. Moreover, in their projects, the most popular areas are tourism, culture and administration. Economically developed regions have more projects focused on economic development and environmental protection.

Current projects for economic cooperation of the Ukrainian Danube region: the project “Promoting the Black Sea region as a wine tourism destination” is in force until 2022-09-20, the project “Local Development and Cross Border Cooperation in the area of Agricultural Products and Traditional Food” is in force until 2022-09-07, the project “Let's cycle at the Black Sea” (Cycling tourism) is in force until 2022-12-31, the project “Knowing Circular Economy in Black Sea Basin” is in force until 2023-07-22. Thus, the tourism sector is the most attractive for cooperation while the cooperation in innovative development of the economy is not sufficiently represented. This is due to the problems in the institutional environment and differences in the level of economic development. Despite the fact that the region has projects that are typical for participants with a low level of well-being, it still allows people to gain some experience of cooperation, establish links for further development, and hence improve institutional capacity.

With regard to the priority areas in which cross-border cooperation is carried out, it should be noted the need to support cooperation of this nature, which, according to the idea of the project, provides for the organization of the production of products and services with high added value. They should be strategically important to address the post-war economic recovery, ensure human security and increase community cohesion through joint activities in the framework of public benefit projects (Fig.3).
An important task of ensuring the post-war recovery of the economy of the country and regions is the organization of production of strategically important products based on the use of local resources and advantages. Considering that the European partner countries can use various forms and methods of financial and material assistance to support the post-war recovery of the Ukrainian economy, common projects for the organization of production, which will be implemented in a cross-border dimension, can become one of these forms. To do this, it is necessary to use the approach to network planning and modular location of production facilities with an optimized territorial location, implemented on a multi-factorial basis based on a detailed analysis and inventory of available resources and prerequisites for the restoration and development of existing and creation of new joint production facilities. In order to provide institutional support for the implementation of the idea of organizing joint ventures, it is necessary to establish the appropriate organizational and legal form for this type of entities. The corresponding organizational form of the CBC is already provided for by national and international legislation – The European Grouping of Territorial Cooperation (EGTC). This association has the status of a legal entity. The official status of such an association is determined by the common decision of the European Parliament and the Council of Europe No. 1082/2006 of July 5, 2006. In Ukraine, the creation of EGTC was regulated in accordance with the Law of Ukraine 2515-VIII "On Amendments to Certain Laws of Ukraine on Cross-Border Cooperation" dated 04.09.2018. However, this instrument is not in demand on the territory of Ukraine due to the lack of economic incentives and low awareness of potential beneficiaries regarding the use of such a cooperation instrument.

### Institutional provision of cross-border cooperation in economic and other fields

<table>
<thead>
<tr>
<th>For the Ukrainian Danube region of Odesa region</th>
<th>For the border areas of neighboring countries</th>
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<tbody>
<tr>
<td>- The Law of Ukraine “On Cross-border Cooperation”</td>
<td>- EU Cohesion Policy</td>
</tr>
<tr>
<td>- The State Program for the development of cross-border cooperation for the period up to 2027 and ensuring its implementation</td>
<td>- Regulation (EU) 2021/1059 of the European Parliament and of the Council of 24 June 2021 on specific provisions for the European territorial cooperation goal (Interreg) supported by the European Regional Development Fund and external financing instruments</td>
</tr>
<tr>
<td>- The Program for the implementation in the Odesa region of the EU Strategy for the Danube region for 2020-2022</td>
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</table>

The purpose of the improvement of the institutional environment is to ensure the socio-economic development of border communities and territories, increase the welfare of the population and the level of cohesion, mutual compliance with the rules and regulations of cross-border cooperation in the Ukrainian Danube region and the EU.

Priorities for cross-border cooperation:
- creation of favorable conditions for attraction of investments in priority areas;
- ensuring the development of territorial and economic systems of border communities based on the efficient use of available resources;
- improvement of the welfare of the population and the cohesion of the population by its involvement in social production process;
- establishment of common rules and conditions for cross-border cooperation with the EU.

Tools and activities:
- organizational and administrative;
- informational;
- normative;
- financial and budgetary;
- tools of programs and strategies.

Performance monitoring and adjustment of goals, objectives, priorities and tools

Fig. 3. Institutional provision of cross-border cooperation in economic and other fields
Concluded according to [13, 15 -17, 27, 28]
The priorities of the CBC identified in this study (Figure 3) are aimed at providing an economic base that will become the basis for the implementation of the cohesion policy both at the national level and at the cross-border level. The peripheral nature of the Ukrainian Danube region, manifested in the low level of well-being of the population and the low level of industrial development, hinders the cross-border cooperation. The most attractive for the implementation of projects of different directions are the regions with a favorable investment climate, which depends, among other things, on the current state of socio-economic development. The formation of an institutional basis that promotes investment attraction in the Ukrainian Danube region will create an economic basis for the interest of stakeholders in the implementation of cooperation projects.

Among the tools and measures proposed in this study, which will stimulate cross-border cooperation in the economic sphere, on the example of the Ukrainian Danube region, there are the following:
- improvement of the institutional capacity of territorial communities, developing their subjectivity;
- creation of a database with information on the state of cross-border cooperation of territorial communities;
- carrying out statistical observations of the state of development of communities and regions according to the priorities of sustainable development and according to EU common classification of territorial units for statistics (NUTS) to facilitate unification with European regulatory standards;
- creation of a network of advisory points for cooperation at the inter-municipal, cross-border and transnational levels;
- development of scientific and methodological support for the implementation of CBC strategies;
- attraction of funds from the State Regional Development Fund and other financial support for the implementation of CBC projects;
- creation of a regional development program for the Ukrainian Danube region, which should be based on the economic component to improve the welfare of the population and provide industrialization based on sustainable development;
- determination of the existing prerequisites for cross-border cooperation in the Ukrainian Danube region, as well as the identification of priority areas for the implementation of cross-border cooperation.

Conclusions and perspectives of further research. Cross-border cooperation is a tool for strengthening the cohesion of territories. It opens up opportunities for improving the socio-economic development of territorial communities, facilitates the movement towards sustainable development. The Ukrainian Danube region has a high potential for cross-border cooperation, but there are factors that hinder this process. The development of regions takes place in a certain institutional environment. It has been examined the institutional environment for cross-border cooperation in the Ukrainian Danube region of Odesa region in the article. State strategies and development programs that set the framework for cross-border cooperation are quite consistent. Their implementation requires economic, financial, organizational and other measures that would create objective prerequisites for the interest of stakeholders in the implementation of cooperation projects. At the same time, there are certain difficulties in obtaining state support for cross-border cooperation projects, and unclear coverage of the co-financing mechanism for communities with the lack of their own resources. The regulatory framework that defines the cross-border cooperation of the Ukrainian Danube region contains goals and priorities consistent with the priorities of European program documents and are complemented by modern military and pandemic challenges, as well as the opportunities that the decentralization reform has brought.

The measures proposed in the study to stimulate activities for the implementation of cross-border cooperation projects are based on the observance of the principle of subsidiarity, according to which the application of tax, financial and other instruments is the business of the territorial community itself. Little experience of cross-border cooperation or its absence may cause a low level of activity in the development of the territorial community in this direction. At the same time, cooperation programs with EU countries offer a wide range of areas for project implementation, so that the territorial communities of the Ukrainian Danube region have the opportunity to join the projects. Among the problems of low activity of cross-border cooperation, the weak institutional capacity of subjects and participants in cross-border cooperation and the low level of well-being in comparison with neighboring regions are identified. The Program for the implementation in the Odesa region of the EU Strategy for the Danube region for 2020-2022 indicates the most critical problems, as well as measures to address them. These activities are aimed at restoring the infrastructure of the region, improving the potential for economic development. To determine the direction of development of the Ukrainian Danube region, it is necessary to develop the Strategy and Program of
development for the Ukrainian Danube Region for 2021-2027, which will disclose the tasks and activities to enhance cross-border cooperation in the region.

To improve institutional capacity, various courses and trainings can be useful, which provide informational support for the implementation of cross-border cooperation projects. This will raise stakeholder awareness of best practices and opportunities to enhance cross-border cooperation. It is also useful to establish connections through various joint educational and cultural events in which representatives of territorial communities of different countries take part. This will contribute to the construction and development of stakeholder interaction networks and will increase social capital and the level of cohesion.

The measures proposed in the article to enhance economic cross-border cooperation are based on the identification of prerequisites, resources, problems and prospects for locating joint ventures. This requires free access to information about the development of the region. This information must be properly organized. The convenience of such a database is that it allows you to find data about the development of the region in one place. It would be useful to create a website with an intuitive design to provide some indicators for assessing all areas of the region, make available a database on these areas, as well as relevant links to the regulatory framework. Programs for cross-border cooperation and information about them with reports on implemented programs should also be presented. Such openness, transparency and accessibility of information will become the basis for better awareness of existing and potential participants in cross-border cooperation.

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