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OF TERRITORIAL DEVELOPMENT**

*Scientific research consists of theoretical substantiation and development of practical recommendations for implementation of investment control policy and investment planning of territories development on the example of Nikolaev.*

*The issue of innovation-investment development of territories on the basis of investment controlling, rationalization of the process of managerial decision-making is given some attention by the authors. For a better understanding of the problems under study, the terminology, the functional aspect and a number of defining principles of investment controlling are first explained. The program of attraction of domestic and foreign investments in the city Nikolaev on the basis of controlling for the period till 2023 is offered. It is recommended that the formation of an effective mechanism for investment provision not of individual economic objects or industries, but of balanced socio-economic and environmental development of the territory, which is consistent with market economic relations, should become a fundamental feature of the development of the territory for the coming years.*

**Key words:** *investment controlling, investment policy, attractiveness of the region, investment projection, state mechanism, activation programs.*

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ТА ІНВЕСТИЦІЙНЕ ПРОЕКТУВАННЯ РОЗВИТКУ ТЕРИТОРІЙ**

*Наукове дослідження полягає у теоретичному обґрунтуванні та розробці практичних рекомендацій щодо запровадженню політики інвестиційного контролінгу та інвестиційного проектування розвитку територій на прикладі м.Миколаїв.*

*Авторське бачення висвітлюється в тому, що інвестиційний контролінг слід інтерпретувати як систему методів та інструментів, спрямованих на підтримку інвестиційної політики регіону та реалізації окремих інвестиційних проєктів, що охоплює інформаційне забезпечення, планування, аналіз, координацію, моніторинг і внутрішній консалтинг, а також своєчасне виявлення відхилень та причин їх виникнення з відповідним своєчасним прийняттям управлінських рішень щодо регулювання відхилень й підвищення ефективності інвестиційного процесу.*

*Питанням інноваційно-інвестиційної розвитку територій на підґрунті інвестиційного контролінгу, раціоналізації процесу прийняття управлінських рішень авторами приділяється певна увага. Для кращого розуміння досліджуваної проблематики в роботі перш за все пояснюється термінологія, функціональний аспект і низка визначальних принципів інвестиційного контролінгу. Запропоновано програму залучення вітчизняних та іноземних інвестицій у м. Миколаїв на засадах контролінгу на період до 2023 року. Рекомендовано формування дієвого механізму інвестиційного забезпечення не окремих господарських об'єктів чи галузей, а збалансованого соціально-економічного і екологічного розвитку території, який узгоджений з ринковими економічними відносинами, має стати принциповою особливістю розвитку території на наступні роки. Такий механізм може бути сформовано на основі розробки програми інвестиційного розвитку області на довгострокову перспективу. При цьому, розробка програми інвестиційного розвитку, повинна включати такі етапи: створення цілісного образу регіону, виявлення пріоритетів інвестування, існуючих проблем та формування програмних завдань, визначення заохочувальних заходів, направлених на стимулювання і підтримки підприємницького інтересу тощо.*

**Ключові слова:** *інвестиційний контролінг, інвестиційна політика, привабливість регіону, інвестиційне проектування, державний механізм, активізаційні програми.*

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Постановка проблеми

The investment process is considered as a vector of strategic development and forms the basis for successful socio-economic development of the state and its regions. The revitalization of investment processes and the effective increase of investment volumes are important factors in implementing structural reforms in the economy and in implementing the innovation-investment model of development in Ukraine.

So, implementation of current and long-term objectives of economic and social reforms today requires not only a well-balanced and sound investment policy, but also the formation of effective mechanisms for regulating investment processes, taking into account the peculiarities of the current state of economic development of the regions [1].

Аналіз останніх досліджень і публікацій

Significant attention is paid to the issues of innovation and investment at the regional level, the decision-making process. Significant contribution to the development of the theory of innovation and investment, procedures for managerial decision-making, methodical aspects of the analytical function of evaluation of investment projects, strategic development of the company, innovation and investment development of territories have made many domestic and foreign scientists in the area of economics: I. Blank, M. Blank, M. Boyarko, P. Voronzhak, L. Gritsenko, V. Grynev, P. Grigoruk, N. Ilysheva, L. Karpenko, S. Krylov, V. Koyuda, D. Piers, O. Sukharev, V. Uzunov, F. Fazozi, S. Filippova, N. Khrush, A. Yakovlev and others.

Scientists in their work emphasize that the introduction of innovation stimulates qualitative and quantitative transformations in production. Innovation is a system of production of new knowledge, new technologies, goods and services. We emphasize that it is an organic element of economic processes occurring in the area of national economy and contribute to the achievement of excellence. The conducted theoretical and methodological excursion of scientific works testifies to the presence of the results of complex researches of the chosen problem. So, questions of the essence of innovative and reproductive potential of production, formation of the mechanism of state management of territories investment development, process of making investment decisions at the non-local level, development of organizational and economic mechanism of investment activation were investigated at the proper level. But some scientific and methodological provisions, practical recommendations need improvement, further development.

Мета

The purpose of the work is to theoretically justify and develop practical recommendations for improving the policy of investment control and investment planning of territorial development, development of the program of attraction of domestic and foreign investments in Nikolaev on the basis of controlling for the period up to 2023.

Виклад основного матеріалу

Investment Controlling should be interpreted as a system of methods and tools aimed at supporting the region's investment policy and the implementation of individual investment projects, covering information support,

planning, analysis, coordination, monitoring and internal consulting, as well as timely identification of deviations and the reasons for their occurrence in due time making management decisions to regulate deviations and increase the efficiency of the investment process.

At the same time, the most complex combination of controlling and investment controlling functions will help to optimize the management of the system of strategic, tactical and operational planning of investment activity and in the complex improvement of the activity of the enterprises of the region. The issue of improving the investment climate and business environment has been and remains the most pressing issue for any country, especially the developing one. The lack of stable economic development, the low level of product competitiveness, the depreciation of fixed assets by 90% in virtually all sectors of the economy and a number of other factors contributed to the aggravation of the issue of investment attractiveness of the state, especially in the context of recent events. Discussions in the field of European integration processes are impossible without a detailed assessment of the investment attractiveness and competitiveness of the Ukrainian economy [2].

Summarizing the scientific views on defining the tasks of investment control, it is advisable to distinguish the following: data collection for investment decisions; coordination of information retrieval; planning and budgeting of investments and investment projects; verification and control of investment applications; calculation of investments; control of the project by nature and time; ongoing control of investments and comprehensive monitoring of investment projects; control of the investment budget and analysis of deviations; achievement of the company's goals in the sphere of investment activity; developing a system of criteria for evaluating the effectiveness of investment projects; analysis and evaluation of factors of internal and external environment; adjusting plans for investment projects in accordance with changing conditions; control of the project on the content of the completed works and on terms; analysis of the reasons for deviations from the plan; assessment of the future effectiveness of the project, taking into account the conditions that may change; development of recommendations for managerial decision-making [3; 4].

So, the most complex combination of controlling and investment controlling functions will help optimize the management of the system of strategic, tactical and operational planning of investment activity and in the complex improvement of the activity of the enterprises of the region (Fig.1).

According to the authors, the construction of the investment control system should also be based on certain principles, in particular:

- Focus of the investment controlling system on the implementation of the developed investment strategy of the branch enterprises. In order for investment control to be effective, it must be strategic in nature, reflect the main priorities of the enterprise's investment activity development. This determines the deliberate restriction of controlling investment operations. Detailed control over all current investment transactions is pointless, as it will only distract investment managers from the more important goals of managing investment activity [5].

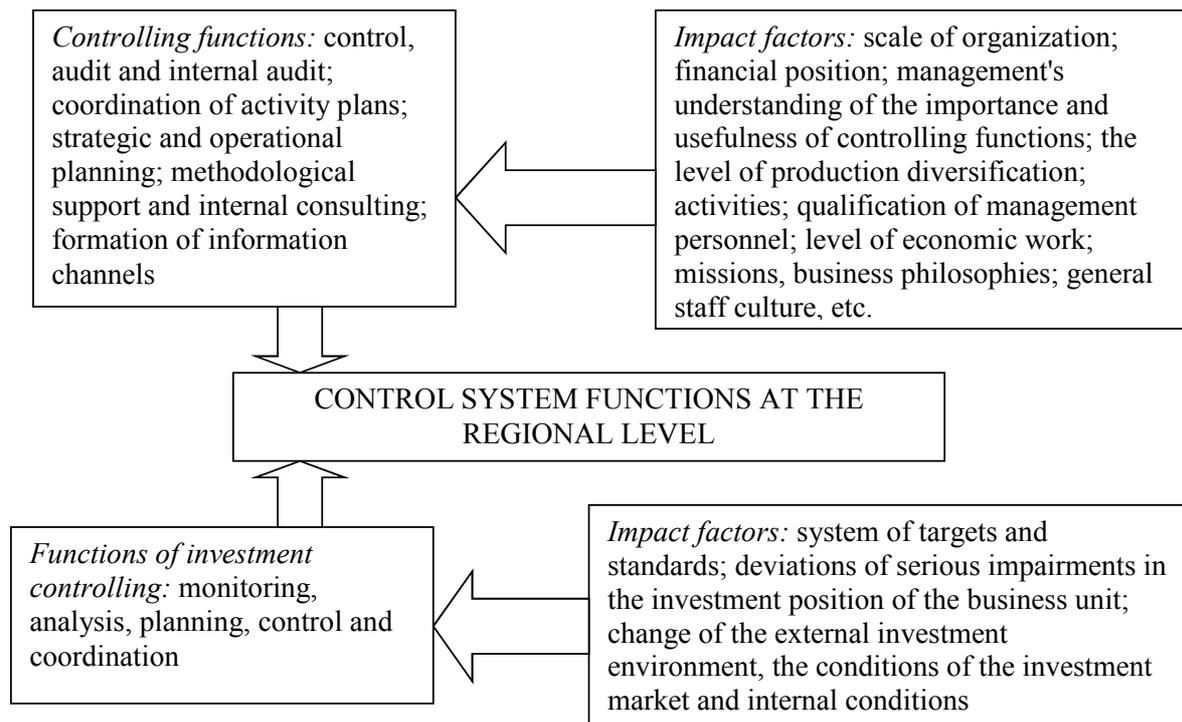


Fig. 1. Functions and factors of influence in the system of controlling the development of territories.

- Multifunctional of investment controlling. It should ensure control of priority indicators of investment activity development not only in the enterprise as a whole, but also in the context of its individual investment centres, provide for the possibility of comparing control indicators with the industry average, ensure the relationship of controlling investment indicators with other important indicators of the enterprise economic activity.
- Orientation of investment controlling on quantitative standards. The effectiveness of control actions is greatly enhanced if the control standards of the activity are expressed by specific quantitative indicators. This does not mean that controlling should not cover quality aspects. The point here is that these qualitative aspects must be expressed in a system of quantitative standards, which precludes different interpretations.
- Compliance of investment control methods with the specific methods of investment analysis and investment planning. In the process of organization of internal investment control, it is necessary to focus on the whole arsenal of the above systems and methods of investment planning (in the preparation of control standards) and analysis (in the preparation of indicators reflecting actually achieved results, and identifying the reasons for their deviation from the standards).
- Timeliness of controlling operations. This timeliness is manifested not in the high speed or frequency of the control functions exercise, but in the adequacy of control actions periods of the implementation period of individual operations related to the formation of the investment activities results. The basic condition for timely investment control is

as follows: it should be of the character of "early warning of crisis development", allow correcting the existing deviations before they become serious.

- Flexibility of controlling construction. Internal investment control should be built taking into account the possibility of adapting to new investment instruments, to new norms and types of investment activity, to new technologies and methods of conducting investment operations. Without sufficient flexibility, the controlling system will not be effective even in those areas of investment control for which it was originally built [6].
- Easy to build controlling. The simpler forms and methods of building investment controls, tailored to their goals, require less control managers and are generally more economical. The excessive complexity of building investment control may not be understood or supported by its operators and may also require a significant increase in the flow of information to implement it.
- Economy of controlling. The costs of implementing investment control should be minimized in terms of their adequacy with the effect of that control. This means that the amount of costs for the organization of controlling should not exceed the size of this effect (cost reduction, increase in profits), which is achieved during its implementation [4].

Investment controlling acts as an intermediary between the investment manager and the inside and outside information. Therefore, one of its main tasks is to support investment decision-making. Content of investment controlling is disclosed in the following functions:

- observing the progress of investment tasks, which are set by the system of targets and standards;

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- measuring the degree of deviation of the actual results of investment activity from the predicted ones;
- diagnosis of the deviations size of serious deterioration in the investment position of the enterprise and a significant decrease in the pace of its development;
- development of operational management decisions on normalization of the investment activity of the enterprise in accordance with the envisaged goals and indicators;
- adjusting, if necessary, individual goals and indicators of investment activity in connection with changes in the external investment environment, the conditions of the investment market and internal conditions [7; 8; 9].

According to these functions, investment control is not only limited to internal control over investment activities and investment operations, but is an effective coordinating system to ensure the relationship between the formation of the information base, investment analysis, investment planning and internal investment control on the ground.

The long-term effective activity of the country in different sectors of the economy, ensuring economic growth and increasing competitiveness in the context of economic uncertainty is largely determined by the level of investment activity. At the present stage of the formation of market processes is the full use of planning mechanisms, coordination and control of real investments. This can be fully defined as the organization of the investment control system [10].

The next step of the study is to analyze the current state of investment attraction in Nikolaev.

According to the statistics department of the Nikolaev region, in 2019 the volume of direct foreign investments (equity) since the beginning of investing amounted 112.3 million dollars USA, which is 22.1% more than in 2017 (by 20.3 million dollars USA), and per capita amounted 227.7 dollars USA (Table 1).

Small investments have been made to agricultural enterprises, hotels and restaurants, financial activities, public utility and individual and health care organizations.

The amount of FDI attracted is not sufficient for the proper development of the city's economy and for the welfare of our community. There are number of obstacles at the local and state levels, which is a deterrent to investing in both Mykolayiv in particular and the state as a whole.

The next we are going to describe problems of attraction of investments to the city Nikolaev. The main obstacles to attracting investment are problems at both the state and local levels, such as:

1) at the local level:

- insufficient financial resources of the city impedes the implementation of programs and prevents the implementation of social projects required by the city (there are virtually no costs for research and design activities, expertise, preparation of feasibility studies, development of business plans, architectural and planning conceptual decisions);
- absence of territories of special regimes of economic activity;
- insufficient promotion of the investment potential of the city;
- low investment attractiveness of certain activities;
- lack of preferential incentives for potential investors;
- lack of support mechanism for a strategically important investor for the city;
- limited internal investment resources;

2) at the state level:

- state guarantees for investors are not secured;
- insufficient development of financial risk insurance mechanisms for potential investors;
- imperfect monetary policy, high cost of credit resources.

The purpose and objectives of the Investment Program in Nikolaev. The purpose of the City Program of Attraction of Domestic and Foreign Investments in Nikolaev for

*Table 1*

**Foreign direct investment volumes to the Nikolaev region in 2016–2019**

Indicators	Years			
	2016	2017	2018	2019
Foreign direct investment (FDI) with increasing year-end results, million dollars USA	67.3	76.8	92.0	112.3
in% to the previous year	...	114.1	119.8	122.1
Foreign direct investment per person, dollars USA	134.3	154.1	185.7	227.7
in% to the previous year	...	114.7	120.5	122.6

*Source:* Authors calculation according MkUkrstat (2020) [11]

Investments in 2019 came from 45 countries and the largest amount is in Cyprus – 27.6 million dollars USA (24.4% of total), the Netherlands – 25 million dollars USA (22.3%), Belgium – 10.5 million dollars USA (9.4%).

The 38.9 million dollars USA was directed at the industrial enterprise (34.6% of total volume), to transport and communications companies – 37.5 million dollars USA (33.4%), real estate companies – 17.6 million dollars USA (15.7%), at the enterprises of trade, repair of automobiles, household products and consumer goods – 12.2 million dollars USA (10.8%), construction companies – 5.3 million dollars USA (4.7%) [13].

the period up to 2017 (further – Program) is to create conditions for investment development of the city aimed at modernization of the economy and ensuring sustainable socio-economic development of the city.

One of the conditions for effective attraction of resources for investment should be the alignment of the investor's personal goals with the goals and objectives of the city's overall socio-economic program.

The investment process should be revitalized by stimulating investors, preparing promotional and presentation products, participating in international exhibitions, investment forums, holding seminars and

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conferences, making stands for exhibitions, maximizing the use of the website with information on investment objects offered at the investment market, etc.

Tasks are:

- promoting the image of Nikolaev as an investor friendly territory;
- promoting the development of investment, innovation and entrepreneurial activity in the city Nikolaev and attracting domestic and foreign investments in the city;
- promoting the development of industrial and foreign economic activity of enterprises in Nikolaev;
- promotion of investment projects includes the investment passport of Nikolaev.

Development of ways of solving problems. In order to achieve the goals, it is proposed to take measures in the following areas:

- support of realization of investment and innovative projects included in the investment portfolio of the city Nikolaev;
- creation of a positive investment image of Nikolaev;
- creation of an electronic data bank for commercial real estate, land, unfinished construction and investment projects of the city;
- assistance in attracting technical assistance;
- promoting the creation of territories of special economic activity regimes.

The expected results of the Program are:

- creation of an attractive investment image of Nikolaev in Ukraine and abroad;

- intensifying the involvement of technical assistance through international organizations and their cooperation programs;
- improving the awareness of potential investors about the possibilities of investing in the city of Nikolaev;
- promotion of investment projects, etc.

It is also envisaged to create conditions for the organization of profitable enterprises, increase the production of industrial enterprises of the city, increase budget revenues, increase employment, create new jobs, raise the level of presentation of the investment potential of the city, and create a support system for the city investors and support of the most important investment projects at all stages of their implementation, ensure the development of investment infrastructure, to organize a system of increasing knowledge of civil servants in investment activity, etc.

The system of performance appraisal on the basis of investment control. The system for evaluating the effectiveness and efficiency of the Program is one of the key conditions for its successful implementation. The monitoring of the implementation of the investment policy will be carried out by establishing appropriate indicators and methods for calculating them. The investment policy monitoring system includes the following indicators (Table 2).

Coordination and monitoring of the implementation of the Program. The organization of implementation of the Program is entrusted to the Nikolaev mayor, deputy mayor, and executive bodies of the Nikolaev city council.

Managers of enterprises, institutions and organizations, entrepreneurs of the city are involved in the implementation of the Program as necessary. The Department of Economics and Investments of the Nikolaev City Council annually, by March 15 of the following reporting year, provides the Permanent Commission of the City Council on Entrepreneurship, Investments, Trade, Consumer Services and Consumer Protection with information on the implementation of the Program.

### Висновки

Investment policy of local authorities of the region is carried out with the following tasks in mind:

- implementation of regional economic and social development policy;
- structural changes, as well as regional investment and innovation policies;
- analysis of the activity of state-owned objects, subordinated to the regional state administration, etc.

The long-term effective activity of the country in different sectors of the economy, ensuring economic growth and increasing competitiveness in the context of economic uncertainty is largely determined by the level of investment activity. At the present stage of the formation of market processes is the full use of mechanisms of planning, coordination and control of real investment. This can be fully defined as the organization of the investment control system [12].

It is recommended that the formation of an effective mechanism for investment provision not of individual economic objects or industries, but of balanced socio-economic and environmental development of the territory, which is consistent with market economic relations, should become a fundamental feature of the development of the territory for the coming years. Such a mechanism can be

*Table 2.*

**Forecast indicators of annual growth of total FDI at the end of the forecast period in Nikolaev**

Forecast year	Forecasted foreign investments on an increasing basis at the end of the forecast year, million dollars USA	Foreign direct investment, increasing at the end of the forecast year in% to the previous year
2019	144.33	...
2020	160.20	111.0
2021	177.82	111.0
2022	198.26	111.5
2023	222.05	112.0

*Source:* Authors calculation according MkUkrstat (2020), Ukrstat (2020), [11; 13]

formed on the basis of the development of the program of investment development of the region for the long term. In our opinion, the development of an investment development program should include the following stages: creating a coherent image of the region, identifying investment priorities, existing problems and formulating programmatic tasks, identifying incentive measures aimed at stimulating and supporting entrepreneurial interest, etc. In addition, focusing on territorial development priorities, economic entities can attract additional resources by preparing projects that are of interest to potential investors.

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