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Problems and prospects of investment climate development in Ukraine

Vladyslav Krylovskyi*
Postgraduate Student
Vinnytsia Finance and Economics University
21037, 71A Pirogov Str., Vinnytsia, Ukraine
https://orcid.org/0009-0001-7738-8037

Abstract. Deepening institutional instability, increasing regulatory uncertainty, and growing infrastructure imbalances in the context of a full-scale war in Ukraine have created a threat to the sustainability of the investment environment, which has led to the need to rethink the factors of its formation and adapt to the conditions of post-crisis transformation. The purpose of the study was to identify the factors of the dynamics of the investment climate in Ukraine in 2020-2024, while simultaneously forming strategic guidelines for its improvement in the context of the post-war recovery. The methodological basis of the study was founded on an analytical and descriptive approach using elements of comparative, structural, functional, and institutional analysis. As a result of the study, five interrelated approaches to the interpretation of the investment climate – institutional, legal, economic, infrastructural and social – were identified, which allowed forming a five-level analytical model of the investment environment, presented in the format of a structural typology. Based on the analysis of the Rule of Law (-0.80 in 2022), Control of Corruption (-0.88 in 2022) and Corruption Perceptions Index (growth from 30 to 35 points in 2020-2024), it is determined that institutional quality is a key predictor of fluctuations in the volume of foreign direct investment (from 7.9 billion USD in 2021 to 0.2 billion USD in 2022). Critical barriers to creating a favourable investment climate are identified – regulatory instability, fiscal fragmentation, infrastructure degradation, and institutional vulnerability. Strategic directions for modernising the investment environment, including strengthening legal certainty, deregulation, restoring infrastructure and institutional support for investors, are substantiated. The proposed approaches were based on the successful practices of Poland, Estonia, Latvia, Georgia, and Romania, where structural reforms have ensured the growth of long-term investment in strategic sectors. The results obtained show the defining role of institutional quality as a critical factor of investment attractiveness in a transformational economy. The practical value of the study is to form an analytical basis for improving state investment policy aimed at increasing institutional capacity, reducing regulatory risks and stimulating long-term investment

Keywords: institutional capacity; regulatory environment; regulatory risks; macroeconomic stability; infrastructure support; transformational economy

INTRODUCTION

After 2020, the relevance of research on the investment climate in countries with transformational economies has increased against the background of a complicated security situation, increased regulatory risks, and macroeconomic instability. The deterioration of institutional capacity, increased legal uncertainty, and infrastructure fragmentation led to the need to review methodological approaches to assessing investment attractiveness. Thereby, the intensification of the integration course into the European Union (EU) has led to the need to ensure transparency of public administration, regulatory coherence, and predictability of the regulatory environment, which has exacerbated the need for institutional modernisation.

One of the areas of investment environment research in Ukraine was the transformation processes caused by the war. The study conducted by D. Lisna *et al.* (2024) analysed

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*Corresponding author

the impact of military operations on the structure of investment in key sectors of the economy, and regulatory adaptation to martial law, in particular, simplification of licensing procedures. It is noted that the military actions led to a redistribution of investment in favour of sectors critical to national security – in particular, logistics, defence industry, and agricultural production – which resulted in the outflow of capital from less stable industries. In the context of the historical dynamics of investment policy, L. Kozhura *et al.* (2024) concentrated on assessing the impact of reforms until 2020 – in particular, privatisation, deregulation, and the introduction of tax incentives. The authors demonstrated that these measures had a positive effect on stimulating short-term investment, especially in the light industry, trade, and small business sectors, by reducing entry barriers and improving access to resources. A separate group consists of studies that focus on the quantitative or industry-specific measurement of investment activity. A publication of O. Baula *et al.* (2024) proposes an econometric model of the dependence of economic growth on the level of investment, where the input variables are indicators of gross domestic product (GDP) and consumer price index. According to the simulation results, an increase in investment activity is accompanied by GDP growth in a stable price environment, which indicates a multiplicative effect of investment.

I. Tomashuk *et al.* (2024) and V. Rudevska *et al.* (2024) paid close attention to assessing the investment potential of the agro-industrial complex as a strategic direction in conditions of economic instability. In the first study, the agricultural sector is identified as resistant to external shocks due to the high concentration of the resource base, stable demand for products, and export potential. The second section emphasises the interest of foreign capital in the agricultural sector as one of the most dynamic areas of investment. Another analytical field covers state and regional policy instruments. In the study by R. Boiko *et al.* (2024), the effectiveness of special economic zones (SEZ) and local investor incentive programmes was investigated, with a focus on adapting instruments to the needs of individual territories. The authors state that individualised approaches based on territorial specialisation can generate additional investment interest at the expense of local preferences. In particular, the importance of partnership between local authorities and investors in creating a stable institutional environment was underlined.

O. Herus (2024) analysed government mechanisms for raising capital through coinvestment tools, risk insurance, and the development of cluster initiatives. The author pays special attention to the role of the state in creating favourable conditions for private capital through the creation of joint projects with a clearly defined distribution of responsibilities and benefits. The study also examines the importance of the cluster approach as a means of concentrating investment flows in strategically important sectors. Generalised estimates of investment attractiveness are presented by S. Dombrovska (2025), who used aggregated indices such as the Global Competitiveness Index and Doing Business to assess the business climate of Ukraine. The author recorded a negative trend in such components as the effectiveness of institutions, protection of property rights, ease of starting a business, and executing contracts, which indicated an increase in regulatory uncertainty and a weakening of guarantees of legal certainty for investors. In the socio-demographic aspect, the investment potential of the country is considered in the publication of M. Ruzhenskyi *et al.* (2024), tracing the relationship between labour mobility, education level, and territorial placement of capital. The authors prove that regions with a higher level of educational potential and labour mobility are more attractive to investors due to the availability of qualified labour resources and higher adaptability to technological changes. This, in turn, encourages the concentration of capital in socially developed territories.

A separate area includes research focused on the innovation vector of development. V. Bokovets *et al.* (2024) analysed the investment potential of the IT sector, high-tech manufacturing, and science, offering indicators of the effectiveness of relevant government policies. Comprehensive financial and institutional support from the EU is described by Yu. Ivanov *et al.* (2024), spotlighting the EU4Business and Deep and Comprehensive Free Trade Areas (DCFTA) programmes. However, the processes of internal regulatory adaptation to acquis communautaire did not become the subject of detailed analysis. The experience of EU countries in terms of institutional impact on investment decisions is highlighted in a paper of J. Bijańska & K. Wodarski (2024), indicating that the stability of regulation in the field of renewable energy in Poland has had a positive impact on the volume of capital investment. The evaluation of the analysed sources showed that most of the studies focused on industry-specific aspects of investment activity or applied tools for stimulating capital investment, without a holistic analysis of the institutional structure of the investment climate. The analysed papers mainly concentrated on quantitative assessments of investment dynamics, sectoral priorities, individual incentive mechanisms, or regional investment features, often in isolation from the systematic review of institutional factors. The impact of the rule of law, stability of contractual obligations, transparency of management decision-making, and mechanisms for building investor confidence in the medium- and long-term horizon remained insufficiently covered. There was no systematic approach to assessing the effectiveness of regulatory policy adaptation to the requirements of EU integration, which created a research gap in justifying the role of the institutional environment as a determinant of investment policy. Bridging this gap was the task of the proposed study.

The study aimed to establish the institutional, legal, and structural factors that influenced the formation of the investment climate in Ukraine in 2020-2024 and determine strategic guidelines for its improvement in the context of post-war transformation. The following research tasks were solved to achieve this goal: systematisation of theoretical approaches to the interpretation of the investment climate as a complex economic and institutional category was conducted; the main barriers that prevented attracting capital in the context of destabilisation of the security, regulatory, and infrastructure environment were identified; the nature of the influence of the state's institutional capacity on the dynamics of foreign direct investment was analysed.

MATERIALS AND METHODS

The conducted study is analytical and descriptive by type, using elements of comparative, structural, functional, and institutional analysis. The methodological basis of the study provided for a systematic combination of qualitative and quantitative approaches. The time horizon covered 2020-2024, a period characterised by radical transformations in the institutional, economic, and security environment of Ukraine. This time period allowed tracking the dynamics of changes in the investment climate in the context of gradual destabilisation, the beginning of recovery, and political adaptation to new geo-economic realities. The subject area covered institutional and legal barriers that limited the attraction of long-term investment capital. Special attention was paid to the assessment of the instability of the regulatory field, the ineffectiveness of anti-corruption practices, and the lack of contractual protection mechanisms. The theoretical basis was based on the concepts of the rule of law, regulatory quality, control of corruption, foreign direct investment, and institutional efficiency, which provided an interdisciplinary foundation for analysing the investment climate and identifying the directions of its structural transformation.

The empirical base of the study is built on official statistical and analytical materials published by the World Bank Group (2024), OECD (2019), and the United Nations Conference on Trade and Development (UNCTAD) (2015). The data of the international organisation Transparency International (n.d.) regarding the dynamics of the Corruption Perception Index were considered as one of the key indicators of institutional sustainability. In addition, materials from the European Commission (n.d.a) and European Investment Bank (n.d.), containing information on instruments of external investment support and financing of recovery and sustainability programmes, were used. Data from the National Bank of Ukraine (n.d.), the Ministry of Infrastructure of Ukraine (2020), and the State Tax Service of Ukraine (2025), which reflect macro-financial dynamics, infrastructure status, and tax regulation of investment activities, were involved in the analysis. In addition, analytical resources of the Ministry of Economy of Ukraine (n.d.) and the government office for coordination of European and Euro-Atlantic integration on strategic planning, regulatory adaptation, and European integration priorities were used.

The study also accounts for the experience of countries with transformational economies – Poland, Georgia, Romania, Latvia, Estonia – to identify typical scenarios of institutional adaptation and study mechanisms for stimulating foreign direct investment in the context of reforms. The information base was formed according to the data of the Polish investment and trade agency (n.d.), The Bridge Between Europe & Asia (n.d.), A gateway of business… (n.d.). Analytical materials by the Investment and development agency of Latvia (n.d.), Building a successful Estonia! (n.d.) were also utilised. The choice of these countries was justified by the similarity of structural challenges, historical belonging to transition economies, and the presence of comprehensive reforms that enabled them to reach a new level of institutional capacity. The comparative approach allowed assessing the potential applicability of the developed tools in the context of Ukraine. The method of comparative analysis was used to compare the quantitative and qualitative indicators of Ukraine with similar indicators in the analysed countries that have quite successfully implemented institutional changes. This method allowed identifying both gaps in the functioning of the regulatory environment and potential growth points that have already demonstrated effectiveness in the countries of Central and Eastern Europe. The comparison covered institutional characteristics (rule of law, control of corruption, government efficiency indices), investment flow indicators, and the effectiveness of implementing institutional reforms.

The institutional analysis provided an examination of the deep structural conditions that determine investment activity, particularly, mechanisms for protecting property rights, the quality of the judicial system, transparency of public administration, and the stability of the regulatory framework. The application of this method provided for identifying system restrictions that remained relevant throughout the study period and tracing their direct connection with investor behaviour. The institutional approach is also used to review models of administrative stability and regulatory adaptability in the regional context. The interpretation of the results obtained was based on the logic of inter-level interaction of factors: from general macroeconomic determinants to institutional and legal mechanisms at the sectoral and territorial levels. A combination of a normative approach with an analytical interpretation of empirical data was used to summarise the information. Determining the cause-and-effect relationships between the quality of the institutional environment and the dynamics of direct investment allowed formulating reasonable conclusions and recommendations on priority areas of state investment policy.

RESULTS AND DISCUSSION

Theoretical and structural foundations of the formation of the investment climate as an economic category

The concept of investment climate in economics is defined as a set of political, legal, economic, social, and institutional factors that shape a country's ability to attract and effectively use investment resources. This concept is not limited to purely economic indicators, but covers the entire range of determinants that influence investors' decisions on the placement of capital. In scientific discourse, several approaches to the interpretation of this category were formed, but a common feature of most of them remained the recognition of the expediency of systematic and interdisciplinary analysis of its components. The structural organisation of the investment environment was covered in a study by Z. Abdullaev (2025), where three key areas of influence on the quality of investment climate were identified – institutional, regulatory, and infrastructure. This approach provides for a focus on legal certainty, procedural stability, and functional interaction between government agencies and investors at different stages of the investment process. Taking these aspects into account highlighted the need for an integral vision of the factors that shape the investment environment and justified the approach to multi-level analysis of the impact on investment decisions.

It was advisable to present them in the format of a structural model to systematise the factors that determine the investment climate. This approach has pinpointed the leading vectors of impact on the investment environment and created the basis for a comprehensive understanding of the interdependencies between institutional, economic, legal, and social conditions. Table 1 presents an adapted multi-level model of the investment climate, formed on the basis of modern approaches used by leading international organisations.

Table 1. Structure of the investment climate

Level	Components	Content
Institutional	Rule of law, government effectiveness, control of corruption	Quality of the legal system, level of independence of judicial proceedings, efficiency of public administration, availability of anti-corruption infrastructure
Legal	Regulatory quality, contract enforcement	Stability of the regulatory framework, transparency of regulatory procedures, efficiency of contract execution
Economic	Macroeconomic stability, taxation, access to finance	Inflation rate, debt burden, tax policy, availability of bank and stock financing
Infrastructure	Logistics performance, digital readiness	Quality of transport and digital infrastructure, access to energy resources
Social	Human capital, public trust, social cohesion	Level of education and training, social cohesion, trust in institutions

Source: compiled by the author based on United Nations Conference on Trade and Development (2015), OECD (2019), World Bank Group (2024), Transparency International (n.d.)

The structure of the investment climate presented in Table 1 indicates the need for an interdisciplinary approach to its assessment. The institutional and legal levels form the basis of the regulatory environment, ensuring predictability of regulatory mechanisms, compliance with contractual obligations and guarantees for the protection of investors' rights. These components are fundamental to building trust on the part of both national and transnational investment entities. The economic and infrastructure levels determine the ability of the economy to integrate and effectively implement investment projects. Indicators of this capability are fiscal policy, credit access, macroeconomic stability, and logistics infrastructure. The growing role of digital technologies leads to an increase in the importance of digital infrastructure in assessing investment attractiveness, especially in the context of the transition to a post-industrial development model.

Social factors determine the long-term stability of the investment climate, acting as the basis for the projected functioning of economic systems. The availability of qualified human capital, the level of public confidence in government institutions and the overall level of social cohesion affect the perception of the country as a promising investment destination. In combination with other structural levels, these factors provide an opportunity for a comprehensive strategic analysis. Generalisation of the determinants of the investment climate was conducted according to the classification into direct and indirect, internal and external. The study conducted by D. Hernandez (2024) proved that effective typologisation of these factors is a prerequisite for modelling investment behaviour in the context of growing global instability. Direct factors include tax regulation, government incentives, monetary policy, and access to infrastructure. The level of education, the state of the environment, the quality of local governance, and other social determinants are mediated. External factors cover global economic processes, the political situation, trade restrictions, sovereign risk ratings, and country confidence indicators.

Approaches to assessing the investment attractiveness of territories involve a combination of qualitative and quantitative methods. One of the most common tools is composite indicators, which aggregate data from various areas, in particular, ease of doing business, investment risk ratings, and the global competitiveness index. These indices form a generalised indicator for international investors to compare countries and assess the level of risks. A. Qazi (2024) determined that institutional quality and infrastructure, as separate components of global competitiveness, have a statistically significant impact on sustainable development prospects, which increases their importance in assessing the investment climate. A special place in the assessment of investment attractiveness is occupied by the institutional assessment, which includes indicators of management quality, effectiveness of anti-corruption policy, regulatory stability, and the political system. A paper of Ü. Çalişkan (2019) has presented that institutional capacity directly correlates with foreign direct investment, particularly in countries with transformational economies, where institutional risks are crucial for investment behaviour.

For a systematic understanding of the influence of structural factors on the investment climate, it was advisable to generalise the key determinants in the format of analytical typology. This approach allowed simplifying the study research and identifying critical areas that require correction of the regulatory environment. Table 2 presents a systematisation of the corresponding factors by source of origin and influence vector.

Table 2. Classification of investment climate formation factors

Type of factors	Direction of impact	Examples
Internal straight lines	Regulatory, economic	Tax policy, inflation rate, legal investment regime, availability of tax benefits
Internal mediated	Institutional, social	Quality of education, institutional stability, level of corruption, health care
External straight lines	Geopolitical, financial	Participation in international trade agreements, currency fluctuations, external financing conditions
External mediated	Global trends, image aspects	The country's reputation among investors, the presence of international sanctions, indicators in global ratings

Source: compiled by the author based on United Nations Conference on Trade and Development (2015), OECD (2019), World Bank Group (2024), Transparency International (n.d.)

Table 2 presents four main types of factors that systematically influenced the investment climate. Internal direct factors include tax regulation, exchange rate stability, and regulatory policy, which have a direct impact on investment activity. These factors are in the sphere of state regulation and may change under the influence of reforms. Internal indirect factors are prolonged and reflect the general institutional context, the level of education of the population, and the quality of functioning of state institutions. External determinants act as constraints or catalysts for investment behaviour that do not depend on the direct impact of internal reforms. Direct external factors are formed under the influence of global economic trends, regional conflicts, and changes in the geo-economic balance. Indirect external factors include the country's image, its position in international rankings, the degree of integration into global institutions, and the level of trust on the part of transnational actors. The above typology helped distinguish the areas in which public policy can provide effective regulation from those determined by external conditions, and requiring adaptation strategies.

Systematisation of the conceptual content of the investment climate has created a theoretical basis for analysing its practical implementation in Ukraine. The investment climate was considered a multi-factor phenomenon, which is based not only on macroeconomic stability but also on the efficiency of the functioning of institutions, the level of legal certainty, and the ability of the state to guarantee compliance with the established rules. In the process of forming investment policy, there was a need to account for general economic parameters along with the specifics of institutional capacity, flexibility of the legal field to transformational challenges, and the availability of effective mechanisms for implementing regulatory requirements. As demonstrated in a study by A. Nilufar (2024), it is the combination of regulatory instruments with state control mechanisms that ensures both the initial attraction of investment and creates conditions for long-term capital retention by stabilising the institutional environment. This approach created the basis for further analysis of the real barriers that affected the dynamics of investment in 2020-2024, and provided for outlining the institutional prerequisites for effective economic transformation.

Challenges and limitations of the development of the investment climate in Ukraine in 2020-2024

The period 2020-2024 was characterised by deep economic transformations caused by a combination of internal dysfunctions and external shocks, primarily of a military nature. Increased institutional instability, fiscal imbalance, infrastructure degradation, and increased security risks have immensely complicated the functioning of the investment environment. These factors led to a change in the investment behaviour of economic entities in the direction of avoiding risks, reducing the volume of capital investments and reorienting investment flows to more stable jurisdictions. An analytical model was developed to systematise the main restrictions that affected investment activity in Ukraine, presented in Table 3. With the purpose of typologising key investment barriers, data on their nature, scope, mechanisms of action, and consequences were summarised. This approach identified the most critical areas that required regulatory intervention and outlined the potential for risk mitigation in the medium term based on institutional, legal, and infrastructural adaptation.

Table 3. Main barriers to investment in Ukraine in 2020-2024

Barrier	Barrier type	Quantitative and contextual characteristics	Mechanism of influence	Implications for investors
Military operations	Exogenous, physical	Direct infrastructure losses in 2022 amounted to more than USD 135 billion. Significant reduction in physical security	Destruction of logistics and energy facilities, displacement of personnel, disruption of market access	Withdrawal from the market of affected areas, growth of insurance costs, curtailment of physical investments

Table 3. Continued

Barrier	Barrier type	Quantitative and contextual characteristics	Mechanism of influence	Implications for investors
Institutional instability	Endogenous, regulatory	Low indicators of management quality: rule of law -0.79; control of corruption -0.87; effectiveness -0.65	High level of legal uncertainty, inefficient application of norms, limited judicial protection	Reduction in legal protection guarantees, minimisation of long-term investments, and increase in transaction costs
Infrastructure constraints	Endogenous, technical	More than 25 thousand km of roads damaged or destroyed; instability in access to energy and digital services	Loss of transport accessibility, disruption of energy supply, digital degradation in the regions	Restrictions on project implementation, increased operating costs, regional concentration of investments
Fiscal pressure	Endogenous, financial	More than 60 amendments to the tax code for 2020-2024; instability of the fiscal burden	Frequent changes in rates, unpredictability of tax regimes, instability of tax planning	Reduction of the investment horizon, fiscal risks, rejection of long-term programmes

Source: compiled by the author based on Ministry of Infrastructure of Ukraine (2020), World Bank Group (2024), National Bank of Ukraine (n.d.)

The first level of analysis showed the dominance of exogenous risks, primarily associated with the consequences of war, which have a direct destructive impact on the infrastructure potential of the state. Military actions have become a key factor of destabilisation, which has led not only to a decrease in the level of physical security but also to a violation of economic activity in a large part of the territory. Losses of infrastructure, production capacity, and human capital have limited the possibility of implementing large-scale and local investment projects. The second level of restrictions was formed due to low institutional capacity, which was manifested through critical values of indicators of the rule of law, effective governance, and corruption control. According to Worldwide Governance Indicators (World Bank Group, 2024), during 2020-2024, Ukraine consistently showed negative dynamics in terms of the rule of law, control of corruption, and government efficiency, which pointed to a lack of legal predictability and administrative stability. This situation increased the level of regulatory uncertainty and limited investment planning.

Fiscal and technical barriers complemented the overall risk profile. Frequent changes in tax legislation made long-term financial planning impossible, while damage to transport infrastructure led to increased logistics costs and reduced market availability. The combination of these restrictions resulted in a decrease in the investment attractiveness of Ukraine in the period 2020-2024, which actualised the need to review approaches to regulatory policy and infrastructure modernisation. Quantitative indicators reflecting changes in the macroeconomic environment, legal regulation, institutional quality, and investor expectations were analysed to identify the dynamics of investment attractiveness of Ukraine in 2020-2024. Figure 1 shows the change in foreign direct investment volumes and the dynamics of the Worldwide Governance Indicators (World Bank Group, 2024) and Corruption Perceptions Index (Transparency International, n.d.), which enabled tracing the impact of security and regulatory factors on the formation of the investment climate.

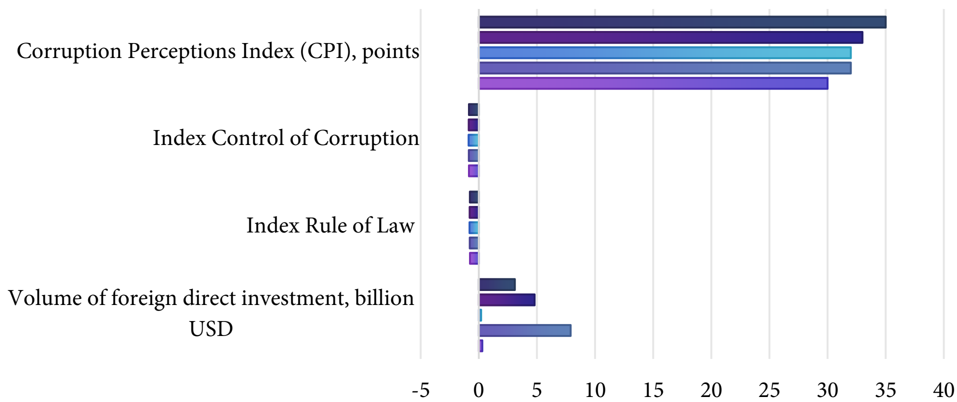

Figure 1. Dynamics of key indicators of investment attractiveness of Ukraine in 2020-2024
Source: compiled by the author based on World Bank Group (2024), Transparency International (n.d.), European Investment Bank (n.d.)

The dynamics of foreign direct investment in Ukraine in 2020-2024 were characterised by a high level of volatility, which indicates the instability of the institutional and security environment. In 2021, capital investment increased to USD 7.9 billion, which was in line with the trend towards a macroeconomic recovery after the pandemic. However, in 2022, a sharp reduction to USD 0.2 billion was recorded, due to the outbreak of a full-scale war and the accompanying increase in risks for investors. In 2023, there was a partial recovery to USD 4.8 billion, but in 2024, the volume of foreign direct investment fell again to USD 3.1 billion, which confirmed the instability of the investment climate in the context of a prolonged military crisis.

Institutional indicators remained at a systemically low level throughout the study period. In particular, the rule of law and control of corruption indicators did not show substantial improvement, which indicates chronic instability in the field of legal regulation and uncertainty in procedures for protecting investors' rights. The slight increase in these indices in 2024 could not change the general trend, which was characterised by weak legal predictability, limited effectiveness of institutional investment protection mechanisms, and low effectiveness of anti-corruption policies. In this context, the Corruption Perception Index (CPI) is also indicative, which showed a slow positive trend – from 30 points in 2020 to 35 points in 2024. Despite formal growth, this level remained below the global average, indicating deep structural problems in the governance system that continued to constrain foreign capital inflows due to a lack of confidence in the Ukrainian jurisdiction. In parallel with institutional risks, infrastructure constraints remain remarkable. If in 2020-2021 there was an active expansion of infrastructure potential, in particular, through large-scale road construction within the framework of state programmes, then from 2022 the situation changes dramatically due to a full-scale war. The destruction of transport, energy, and digital infrastructure in the regions affected by the fighting leads to an increase in operating costs for businesses, disruption of supply chains, complication of logistics operations, and a general decline in the implementation of investment projects, especially in the manufacturing and service sectors. Such a set of challenges – institutional and material – forms an objective basis for a deeper analysis of the determinants of investment activity in a transformational economy, which makes it necessary to move to an empirical examination of the relationship between the qualitative characteristics of public administration and the dynamics of attracting foreign direct investment.

The role of the institutional environment in creating a favourable investment climate

Institutional quality determines the ability of the state to form a stable, predictable, and legal environment for the implementation of economic interaction, which has a direct impact on the behaviour of investors in transformational economies. It is institutional factors that are the primary basis for ensuring a balance between the regulatory capacity of the state and protecting the interests of business entities. In cases where legal obligations are not fulfilled, there are no effective tools to protect investors' rights, and the transparency of management procedures remains limited, the level of trust in the regulatory environment decreases, which also increases investment risks.

The decline in the predictability of public policy in the context of political and economic turbulence leads to the dominance of short-term investment strategies aimed at minimising potential losses. On the other hand, the functioning of institutional safeguards, such as the stability of the regulatory environment, proper enforcement, accessibility of administrative procedures, and the availability of dispute resolution mechanisms, contributes to the formation of positive expectations regarding the security and profitability of long-term investments. Thus, the institutional architectonics of the investment climate determines not only the intensity of capital raising but also its sectoral and regional structure. A functional model of the institutional component of the investment climate was generalised to structure the conditions that affect the positive perception of the regulatory environment on the part of investors. Table 4 shows the main components of the institutional environment, their applied importance for the implementation of state investment policy, and expected economic effects if they function properly.

Table 4. Institutional conditions for creating a favourable investment climate

Institutional component	Functional value	Potential effect for investors	Examples of implementation tools
Rule of law	Ensuring predictability of law enforcement	Reduction of asset loss risks, stability of solutions	Independence of the judicial system, effective administrative appeal
Regulatory quality	Transparency and stability of the regulatory environment	Simplified market access, reduced transaction costs	Deregulation, electronic registers, standardisation of procedures
Protection of property rights	Guarantees of inviolability of property and intellectual assets	Growing confidence in long-term investments	Legal guarantees, protection in international arbitration
Enforcement of contracts	Mechanisms for implementing obligations under contracts	Reduction of the investment risk horizon	Commercial legal proceedings, notarial jurisdiction
Transparency of governance	Openness of state information and decisions	A decrease in the unexpected regulatory interventions	Public registers, open data, participation in decision-making
Control of corruption	Minimising informal influences on government decisions	Improving the country's reputation assessment	Anti-corruption agencies, e-procurement

Source: compiled by the author based on United Nations Conference on Trade and Development (2015), OECD (2019), World Bank Group (2024)

These institutional components form the basis of investor confidence in the state's regulatory environment. The established relationship between rule of law and protection of property rights provides legal certainty, which reduces the risk of loss of control over assets. In combination with effective mechanisms for fulfilling contractual obligations, the institutional capacity of the state to guarantee the stability of the rules is created, which is considered as a determining factor in the decision-making process on capital-intensive investments. Components related to regulatory quality and governance transparency determine the quality of the administrative environment. Their effectiveness helps to reduce barriers to entry to the market, optimise decision-making procedures, and lower the time spent on operating activities. In countries with a high level of regulatory quality, investments with a long-term implementation horizon prevail, in particular, in the manufacturing sector and infrastructure projects. The control of corruption component is instrumental in shaping the reputational attractiveness of the investment environment. Minimising the level of informal influence on decision-making helps to increase the predictability of regulatory policy, which was especially important in the context of political turbulence. In this context, anti-corruption policy is deemed an integral element of the institutional environment that ensures the long-term sustainability of investment activity. In countries with transformational economies, institutional reforms have created the basis for creating a positive investment image. The results of the implemented changes in individual countries show a decrease in the level of institutional uncertainty and positive dynamics of foreign direct investment inflows. Examples of such decisions that have had a notable impact on the investment environment are summarised by key institutional areas in Table 5.

Table 5. Examples of institutional solutions in countries with transformational economies in the context of investment climate formation (2020-2024)

Country	Institutional reform	Key implementation tool	Results for the investment environment
Poland	Improving the judicial system	Updating the selection and evaluation procedures for judges	In 2020-2023, the average term for reviewing business cases decreased from 230 to 175 days; the share of Foreign Direct Investment (FDI) in industry increased by 9%
Georgia	Digitalisation of regulation	Introduction of the integrated business house platform	From 2020 to 2024, the number of new companies in the IT (Information Technology), logistics, and tourism industries founded by foreigners increased by 190%; the volume of FDI in these sectors increased by 2.8 times
Latvia	Optimisation of court proceedings	Electronic case tracking system	The average duration of contract cases decreased from 310 to 205 days; the share of long-term investment contracts increased by 12%
Estonia	Deepening digital governance	Expansion of the e-Residency platform, implementation of e-Business	In 2020-2024, the share of registrations of companies by non-residents exceeded 75%; the volume of investment in the digital sector increased by 28%; the FinTech sector reached 3.5% of GDP
Romania	Strengthening the anti-corruption infrastructure	National Anticorruption Directorate	The Corruption Perception Index (CPI) increased from 44 (2020) to 48 (2023); the volume of FDI in infrastructure projects increased by 54%
Ukraine	Improving the protection of investors' rights	Law of Ukraine No. 1116-IX "On State Support for Investment Projects with Significant Investments in Ukraine" (2024)	In 2021-2024, more than 30 applications were submitted to support investment projects; the share of investment in the field of information technology increased by 17%, but the WGI index (World Giving Index) remained below -0.75

Source: compiled by the author based on World Bank Group (2024), Commission Staff Working Document "Ukraine 2024 Report. Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of Regions. 2024 Communication on EU enlargement policy" (2024), European Investment Bank (n.d.), Polish investment and trade agency (n.d.), The Bridge Between Europe & Asia (n.d.), A gateway of business… (n.d.), Investment and development agency of Latvia (n.d.), Building a successful Estonia! (n.d.)

A comparative analysis of countries that have successfully implemented institutional changes has shown a high sensitivity of the investment environment to even targeted but consistent reforms. Solutions aimed at simultaneously reducing administrative barriers and strengthening legal certainty, as was observed in the cases of Georgia and Estonia, yielded the highest effectiveness. These countries were characterised by rapid implementation of regulatory changes aimed at simplifying procedures and building trust in the institutional environment. Successful practices had a common structural feature – a systematic approach to institutional modernisation. The reforms were accompanied by digitalisation of services, deregulation of administrative procedures, and an increase in the level of transparency in the functioning of government bodies. Such transformations provided not only improved market access but also created an image of the state as a reliable partner for long-term economic cooperation, which is a crucial factor for attracting strategic investors.

In the context of Ukraine, the implementation of such institutional decisions has met with a number of limitations related to political cyclicity, fragmentation of public administration and a low level of law enforcement. The existing barriers were caused by the imperfection of formal indicators and the limited access of investors to institutional resources, such as effective legal protection mechanisms, administrative support, and operational interaction with public authorities. Combined with the fragmentation of reforms, even a partial improvement in international rankings has not eliminated critical risks for long-term investment decisions.

Prospects for improving the investment climate in Ukraine: Justification and strategic guidelines

In the context of the ongoing post-crisis recovery and activation of European integration processes, increasing the investment attractiveness of Ukraine requires the introduction of an integrated approach that combines institutional modernisation, infrastructure development, and improvement of the regulatory framework. The high level of political, security, and regulatory risks actualises the need to create a predictable environment for attracting investment in strategically important sectors of the economy. Strategic guidelines are structured into five functional blocks to determine the priority areas of investment climate reform: institutional environment, institutional stability of policies, infrastructure base, regional development, and investment legislation. Within each of them, the expected results of future transformations are outlined, and the tools that can ensure their effective implementation are proposed. The corresponding systematisation presented in Table 6 will serve as an analytical basis for the formation of a national investment strategy in the context of post-war reconstruction and adaptation to the challenges of prolonged uncertainty.

Table 6. Priority areas for improving the investment climate of Ukraine in strategic areas

Direction of reform	Specified priorities	Expected result	Potential implementation tools
Institutional environment	Improving the rule of law, transparency of governance, fighting corruption	Reduced legal entropy, increased investor confidence	Judicial reform, e-justice, open registers
Infrastructure development	Restoration of transport, digital, and energy infrastructure	Simplifying logistics, reducing transaction costs	public-private partnerships, international funds, digitalisation of procurement procedures
Investment legislation	Harmonisation with EU acquis, protection of investors' rights, contractual stability	Strengthening the regulatory framework for investment activities	New investment code, international arbitration, mechanism for resolving investment disputes between an investor and the state
Institutional stability of policies	Formation of long-term management standards and procedures	Maintaining the sustainability of institutions even when governments change	Electronic documentation, regulatory hubs, policy evaluation
Regional development	Stimulating interregional competition for investors	Attracting resources to less developed areas	Rating of regions, special economic zones, local investor support offices

Source: compiled by the author based on OECD (2019), World Bank Group (2024), Commission Staff Working Document "Ukraine 2024 Report. Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of Regions. 2024 Communication on EU enlargement policy" (2024), Ministry of Economy of Ukraine (n.d.)

The proposed system of priorities demonstrates the need for coherence of reforms in interdependent areas. Institutional transformations should be accompanied by infrastructure modernisation, while the effectiveness of improving the legal framework will remain limited without ensuring the physical availability of market resources. The presented structure indicates that only interaction between these blocks can provide conditions for sustainable investment growth. Of particular importance are areas focused on long-term sustainability: the preservation of institutional memory and the development of interregional competition will form mechanisms of internal motivation to support reforms, which will help to avoid a relapse of administrative inefficiency. The formation of a favourable investment environment is not limited to achieving positive indicators, but involves deep adaptation of management approaches to the needs of an international investor. Improving the legal regulation of investment activities is based on the principles of harmonisation with the legislation of the European Union. Codification of legal guarantees, standardisation of investor protection procedures, elimination of regulatory imbalances and introduction of dispute resolution mechanisms adapted to international arbitration standards remain key guidelines. Legal certainty in the field of investment will be a prerequisite for restoring confidence in the state's economic policy.

Infrastructure modernisation is defined as a basic factor in activating investment processes. The restoration of logistics, energy, and digital infrastructure will require the involvement of public-private partnership mechanisms and the use of international financial support tools. With proper institutional support, such projects can become a catalyst for the multiplicative effect of attracting private capital. The creation of specialised zones of economic activity remains an effective form of concentration of investment resources: industrial parks, logistics centres, and digital clusters. Their activities should be based on simplified regulatory procedures, special tax regimes, and high-quality legal support. The practice of Central European countries confirms the effectiveness of such tools in the context of economic recovery after crisis shocks. The formation of a strategic vision for the development of the investment climate involves taking into account both internal structural challenges and external obligations within the framework of the European integration course. Considering the goals of post-war reconstruction and Ukraine's progress towards gaining membership in the European Union, Investment policy should continue to be based on a multi-level logic of adaptation. Table 7 summarises the key strategic vectors of public policy in the field of attracting investment in the context of economic transformation.

Table 7. Strategic guidelines for Ukraine's investment development in the context of recovery and European integration

Strategic goal	Implementation focus	Expected effect	Coherence with European initiatives
Restoring critical infrastructure	Mobilisation of international technical assistance, public-private partnership	Stimulating investment in logistics and energy	European Green Deal (n.d.), Connecting Europe Facility (Regulation (EU) 2021/1153 of the European Parliament and of the Council "Establishing...", 2021)
Diversification of investment areas	Creating industry clusters, supporting IT and agricultural exports	Creating new growth points	The Digital Europe Programme (n.d.), Common Agricultural Policy (n.d.)
Institutional alignment with the EU	Harmonisation of the regulatory and judicial system	Increasing transparency and confidence indices	Enlargement Package (Commission adopts 2024…, 2024), Rule of Law (European Commission, n.d.b)
Regional development	Stimulating local initiatives, inter-municipal cooperation	Attracting foreign direct investment in border and peripheral regions	Cohesion Policy (n.d.), Smart Specialisation Strategies (About S3…, n.d.)
Export-oriented modernisation	Integration into value chains, foreign economic activity infrastructure	Strengthening external economic integration	Deep and Comprehensive Free Trade Agreements (n.d.), Rules of origin in the Pan-Euro-Mediterranean Convention (n.d.)

Source: compiled by the author based on Commission Staff Working Document "Ukraine 2024 Report. Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of Regions. 2024 Communication on EU enlargement policy" (2024), European Commission (n.d.a), European Investment Bank (n.d.), Ministry of Economy of Ukraine (n.d.)

The presented strategic guidelines indicate the transition from emergency anti-crisis measures to the formation of a long-term investment attraction policy integrated into the structure of national economic recovery. Of particular importance are mechanisms of interaction with European institutional structures, which provide additional guarantees for investors and strengthen coordination between domestic and foreign economic policies. The emphasis on institutional alignment allows adapting the legal environment to European Union standards and reducing the risks associated with non-transparency of regulation. Reforming the judicial system, strengthening anti-corruption mechanisms and introducing digital administrative services form the basis for increasing confidence on the part of international financial institutions.

The formation of a cluster structure of investment activity, which provides for a combination of industrial, digital, and agricultural potential, should contribute to the structural restructuring of the economy in accordance with the priorities of sustainable development. This approach helps to adapt regional models of raising capital to the single space of the EU internal market and integrate with global value chains. Coordination of institutional transformation between executive authorities, the legislative sector, local self-government, business, and civil society determines the ability of the state to implement a consistent investment policy. Creating conditions for Inter-level interaction will ensure organisational stability of institutional changes and form the basis for long-term investment stability. The analysis of the investment climate in Ukraine confirmed the need to consider it as a multi-level category covering institutional, legal, economic, infrastructural, and social determinants. The structural and factor approach allowed identifying internal and external factors that determine the functional ability of the environment to raise capital. The assessment of the state of Ukraine's investment climate during 2020-2024 showed the dominance of risks associated with military destruction, institutional instability, fiscal burden, and regulatory fragmentation. The dynamics of foreign direct investment, the rule of law, control of corruption, and CPI indicators demonstrated a critical dependence of investor behaviour on the quality of the institutional environment. The analysis of the experience of countries with transformational economies, such as Estonia, Georgia, Poland, and Romania, highlighted the importance of consistency in the implementation of reforms. Summarising the results allowed identifying key areas for improving the investment climate in Ukraine, including: strengthening law enforcement, digitalisation of administration, restoration of infrastructure potential, creation of specialised investment activity zones, and harmonisation of regulatory norms in accordance with European Union standards.

Based on the results of a multi-factor analysis, the relationship between the level of institutional development, and the dynamics of attracting foreign direct investment testified to the critical sensitivity of investors to the quality of the regulatory environment in a transformational economy. In particular, the systemically low rule of law, regulatory quality and control of corruption indicators in 2020-2024 demonstrated the failure of the national institutional system to ensure predictability of public policy, protection of property rights, and compliance with contractual obligations. The high level of military risks and fiscal burden increased the impact of regulatory instability, which led to cautious or negative investment behaviour of external actors. The conditions under which a decrease in FDI volumes was recorded during periods of increasing legal uncertainty confirmed that institutional factors were the main triggers for changing investment decisions in situations of uncertainty. The presence of structural dysfunctions in the field of governance and regulation has formed negative expectations about the possibility of long-term capitalisation of investments. The importance of the results was to prove the need to integrate institutional modernisation with infrastructure restoration and adapt the legal framework to the requirements of acquis communautaire, which corresponded to the strategic guidelines of state policy in the context of post-crisis development and European integration processes.

The study confirmed the leading role of institutional factors in shaping the investment climate on the example of Ukraine in 2020-2024. Institutional instability, which was manifested due to the low values of the rule of law, control of corruption, and government efficiency indicators, had a remarkable deterrent effect on the volume of foreign direct investment (FDI). In the context of this issue, the results of the study by S.J. Lee *et al.* (2024) were analysed, which used principal component analysis (PCA) and panel regression modelling on a sample of 178 countries to determine that in high-income countries, social indicators were the main factor in attracting FDI, while in developing countries, economic factors dominated. Therewith, the impact of institutional indicators in both groups of countries was statistically insubstantial. The findings partially contrasted with the results of the study, where the institutional environment itself showed a high negative correlation with the dynamics of investment during the period of military instability, which may be due to the crisis specifics of the analysed period and the need to expand the time limits in further research. The study also revealed a significant impact of institutional stability and infrastructure development on the level of investment activity in Ukraine in 2020-2024. The problems of regional inequality and limited access to infrastructure as factors hindering the attraction of foreign direct investment were confirmed in the paper of N. Roshdieh & G. Farzad (2024), where increasing the level of fiscal decentralisation was shown to contribute to the growth of investment activity through improving infrastructure provision at the local level. The results obtained correlate with the above conclusions, emphasising the importance of reallocation of financial resources in favour of regional infrastructure development in transformational economies.

The analysis of institutional determinants of investment attractiveness of Ukraine demonstrated the need to strengthen the quality of the regulatory environment, control corruption, and ensure political stability as basic prerequisites for attracting foreign direct investment. Similar conclusions were formulated by H. Khan *et al.* (2024), who determined that for developing countries, it is the indicators – control of corruption, political stability, and voice and accountability that are the determining factors for raising capital. The comparison of the results showed compliance with global trends, which confirm the critical role of the institutional environment in the processes of forming the investment climate. The results of the analysis were also confirmed in a study by S. Gupta *et al.* (2024), which examined the impact of institutional quality on foreign direct investment inflows in BRICS group countries (Brazil, Russia, India, China, and South Africa). It was found that indicators such as control of corruption greatly increased the investment attractiveness of Brazil, India, and South Africa. The findings are consistent with general trends that highlight the critical importance of improving the institutional environment for stimulating investment processes in countries with transformational economies.

In the context of exploring factors influencing investment activity, the conclusions of M. Islam & A. Beloucif (2023) were considered, where the main determinants of foreign direct investment were systematised based on the analysis of more than a hundred empirical studies. It was proved that, along with the size of the market, factors such as the quality of infrastructure, the level of human capital development and macroeconomic stability have a major impact. Comparison with the results obtained showed that in the conditions of Ukraine, it was institutional and infrastructural factors that determined the level of investment attractiveness, which was consistent with global scientific trends. The analysis of the results of the study of the institutional environment and the processes of recovery of investment activity after the crisis correlated with the approaches proposed in the study by O. Peter & C. Osazuwa (2024), where a conceptual model for assessing the impact of post-conflict reconstruction interventions was developed. The critical importance of contextual factors, such as the participation of international organisations and historical background, was emphasised, which corresponds to the need for integrated consideration of institutional conditions in the process of restoring the investment climate. The study also highlighted the importance of long-term planning and multi-level coordination for the sustainable recovery of the investment environment, which is consistent with the conclusions of B. Rohwerder (2024), dedicated to the lessons of post-war reconstruction. It was discovered that hasty and insufficient systemic recovery leads to the consolidation of temporary dysfunctions, which correlates with the risks identified in the analysis of institutional barriers and infrastructure constraints in Ukraine in 2020-2024.

When interpreting the results obtained, approaches proposed by O.E. Ajewumi *et al.* (2024) were considered, which examined the role of international funding and institutional reforms in the post-conflict reconstruction of African countries. The importance of synchronising external financial support with the development of local institutional capacity is established, which corresponds to the conclusions of the study on the need to integrate national reforms with European and global investment initiatives. The results of the study, which confirmed the importance of developing the institutional environment and human capital for boosting investment activity during the recovery period, are consistent with the findings of J. Branch *et al.* (2025). In this paper, it was proved that the development of educational institutions in post-conflict regions contributed to economic activity, social cohesion, and long-term development, which was consistent with the conclusions about the role of institutional strengthening through intellectual infrastructure in stimulating investment processes. The analysis of the results also highlighted the importance of improving the regulatory environment and ensuring the stability of legal norms to increase investment attractiveness, which correlated with the approaches of P. Thinus (2025). The change in the paradigm of the rule of law in the European Union through the introduction of budget convention mechanisms was justified, which showed the role of effective mechanisms for monitoring compliance with legal norms in increasing investment attractiveness. Special attention was paid to institutional mechanisms for creating transparency, stability, and predictability of the regulatory environment, which corresponded to the approaches of F. Bulfone *et al.* (2024), who stressed the role of convention as an instrument of modern industrial policy. The establishment of clear rules and standards was identified as a critical factor in ensuring the effectiveness of investment policy in the context of economic transformation, which coincided with the conclusions of the analysis.

In the process of analysing the results of the study, special attention was paid to the role of infrastructure development as a factor in attracting foreign investment, which corresponded to the conclusions of K. Tsaurai (2025). The author proved that the development of transport, digital and financial infrastructure had a considerable positive impact on the volume of foreign direct investment in the BRICS group countries. Comparing the results obtained with the above conclusions showed that increasing the availability of digital technologies and financial services, combined with the modernisation of physical infrastructure, is a critical factor for stabilising and activating investment flows in transformational economies. As part of the study, a major influence of institutional quality on the formation of the investment climate was established, which was consistent with the conclusions of M. Husnain *et al.* (2024). In this paper, it is proved that institutional quality, along with foreign direct investment and domestic capital investment, has a positive impact on the economic growth of Latin American countries in the long term. The comparison of the results confirmed that for the conditions of a transformational economy, strengthening political stability, effective governance and creating a favourable business environment are necessary prerequisites for boosting investment activity and ensuring sustainable economic development.

The study concentrated on the importance of the institutional environment and accompanying economic factors for stimulating investment inflows, which found a correlation with the conclusions of O. Bertrand & M.A. Betschinger (2024). The study authors determined that infrastructure and non-infrastructure assistance from developed countries has a positive impact on private firms' decisions to enter emerging markets, helping to reduce political and market risks. The comparison of the results indicated that successful mobilisation of investment capital in the context of post-crisis recovery is impossible without comprehensive development of institutional capacity, modernisation of basic infrastructure and integration of external financial incentives into national reconstruction strategies. The analysis confirmed the crucial role of institutional, infrastructural, and macroeconomic factors in shaping the investment climate of Ukraine in 2020-2024. It is established that military risks, regulatory instability, poor quality of governance, and a high level of fiscal burden have become the main barriers to attracting foreign direct investment. The results of the study are consistent with scientific approaches on the importance of institutional quality, infrastructure development, and long-term planning to stimulate investment activity in transformational economies, which justified the feasibility of comprehensive reform of the legal, regulatory and infrastructure environment in the post-crisis recovery process.

CONCLUSIONS

As part of the study, it was established that the formation of the investment climate in Ukraine in 2020-2024 was influenced by a complex interaction of institutional, infrastructure, legal, and security factors. The key constraint for attracting investment capital remained the poor quality of the institutional environment, which was manifested in insufficient law enforcement, unstable regulatory policy, and a low level of corruption control. During the period under review, the rule of law index remained in the range of -0.76 to -0.77, while the corruption control index ranged from -0.85 to -0.88 on the Worldwide Governance Indicators scale, indicating continued institutional vulnerability. The level of perception of corruption did not exceed 35 points on the CPI index, which confirmed limited investor confidence in the state policy in the field of integrity.

Infrastructure factors played an equally important role in shaping investment attractiveness at the regional level. Regions with developed logistics, transport, and digital infrastructure had a great advantage in raising capital, which emphasised the spatial heterogeneity of investment activity. Imbalances in the level of infrastructure provision caused an outflow of potential investors from depressed territories and concentrated capital in more affluent areas. The total volume of foreign direct investment in 2022 decreased to

0.2 billion USD compared to 7.9 billion USD. In 2021, it reflected the increased dependence of investment dynamics on logistics and security conditions. In particular, during periods of worsening military risks, there was a reduction in new investment contracts and a shift in emphasis to short-term, less risky forms of investment. The legal environment remained fragmented and unpredictable, creating additional transaction costs for investors. Frequent changes in tax, currency, and investment legislation, the lack of unified institutional coordination, and a weak mechanism for implementing contractual guarantees limited long-term planning opportunities and constrained investment in high-risk industries, in particular, in the manufacturing industry. In general, the results of the study showed the need for a transition to systematic institutional modernisation, including strengthening the rule of law, stabilising the regulatory field, developing the infrastructure base, and harmonising investment legislation with the legal norms of the European Union. Such measures are critical for creating a stable investment environment in the context of a long period of post-crisis reconstruction.

The study allowed formulating an integral analytical model of the impact of institutional, infrastructural, and legal interaction on the parameters of investment activity. It is established that institutional and infrastructure modernisation are complementary conditions for stimulating the inflow of foreign direct investment, and the adaptation of legislation to EU standards is a fundamental element of legal predictability. The results allowed for formulating sound recommendations on the need to accelerate institutional reforms, with an emphasis on improving governance transparency, ensuring the stability of legal regulation, strengthening political stability, and reforming infrastructure policy. During the implementation of the research strategy, a number of essential limitations were recorded, which were directly manifested in the analysis process. This primarily relates to the deep destruction of infrastructure during the war period, which made it impossible to implement investment projects in many regions and led to uneven investment activity. In addition, investors' limited access to key institutional resources – legal protection, administrative support, and operational interaction with government agencies was established. A substantial barrier was also the fragmentation of public administration and cyclical policy decisions, which prevented the formation of long-term expectations on the part of international investors. In further research, it is advisable to focus on examining the interaction between the digital transformation of public administration, security indicators, and investment behaviour of international companies in the context of prolonged post-crisis reconstruction.

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Проблеми та перспективи розвитку інвестиційного клімату в Україні

Владислав Криловський
Аспірант
Вінницький фінансово-економічний університет
21037, вул. Пирогова, 71А, м. Вінниця, Україна
https://orcid.org/0009-0001-7738-8037

Анотація. Поглиблення інституційної нестабільності, посилення регуляторної невизначеності та зростання інфраструктурних диспропорцій в умовах повномасштабної війни в Україні створили загрозу для стійкості інвестиційного середовища, що зумовило потребу у переосмисленні чинників його формування та адаптації до умов посткризової трансформації. Метою дослідження було виявлення чинників динаміки інвестиційного клімату України у 2020-2024 роках, з одночасним формуванням стратегічних орієнтирів його вдосконалення в умовах післявоєнного відновлення. Методологічна основа дослідження ґрунтувалася на аналітико-описовому підході з використанням елементів порівняльного, структурно-функціонального та інституційного аналізу. У результаті дослідження було виокремлено п'ять взаємопов'язаних підходів до інтерпретації інвестиційного клімату – інституційний, правовий, економічний, інфраструктурний та соціальний, – що дозволило сформувати п'ятирівневу аналітичну модель інвестиційного середовища, представлену у форматі структурної типології. На основі аналізу індексів Rule of Law (-0,80 у 2022 р.), Control of Corruption (-0,88 у 2022 р.) та Corruption Perceptions Index (зростання з 30 до 35 балів у 2020-2024 р.) встановлено, що інституційна якість є ключовим предиктором коливань обсягів прямих іноземних інвестицій (від 7,9 млрд дол. у 2021 р. до 0,2 млрд дол. у 2022 р.). Ідентифіковано критичні бар'єри для формування сприятливого інвестиційного клімату – нормативну нестабільність, фіскальну фрагментованість, деградацію інфраструктури та інституційну вразливість. Обґрунтовано стратегічні напрями модернізації інвестиційного середовища, що включають посилення правової визначеності, дерегуляцію, відновлення інфраструктури та інституційний супровід інвесторів. Запропоновані підходи спираються на успішні практики Польщі, Естонії, Латвії, Грузії та Румунії, де структурні реформи забезпечили зростання довгострокових інвестицій у стратегічних секторах. Отримані результати засвідчили визначальну роль інституційної якості як ключового чинника інвестиційної привабливості в умовах трансформаційної економіки. Практична цінність дослідження полягає у формуванні аналітичної основи для удосконалення державної інвестиційної політики, спрямованої на підвищення інституційної спроможності, зменшення регуляторних ризиків та стимулювання довгострокового капіталовкладення

Ключові слова: інституційна спроможність; регуляторне середовище; регуляторні ризики; макроекономічна стабільність; інфраструктурне забезпечення; трансформаційна економіка