

UDC 347:796]:347.73

DOI <https://doi.org/10.32782/lexsportiva/2025.2.1>**Huk Iryna-Mariia Mykhailivna**

3rd year postgraduate student at Zaporizhzhia National University

ORCID: <https://orcid.org/0000-0002-4407-3944>

INVESTMENT ATTRACTION IN THE FIELD OF SPORTS: MODERN APPROACHES AND THE CONCEPT OF PUBLIC-PRIVATE PARTNERSHIP

In today's context of socio-economic transformations, the issue of effective functioning and development of physical culture and sports is of particular relevance. Given the limited budgetary resources, growing competition for funding, and the need to modernise sports infrastructure, attracting additional sources of funding, including investments, is an important prerequisite for the sustainable development of the sports industry. One of the most promising mechanisms for ensuring financial stability and implementing large-scale sports projects is the use of a public-private partnership model. The relevance of the topic is driven by the need to systematically rethink the role and opportunities for public-private cooperation in the field of sports in the context of decentralisation, post-war recovery of Ukraine, and global trends in the integration of sports into economic and social processes. In this context, sport is both a means of physical rehabilitation and an effective mechanism for psychological support, strengthening social ties and creating new life goals for veterans. Public-private partnerships as a form of interaction provide an opportunity not only to attract extra-budgetary funds but also to improve the efficiency of sports infrastructure management, introduce innovative approaches to the implementation of sports programmes and projects, and expand access to quality sports services for citizens, including veterans.

The article examines the potential of public-private partnerships (PPPs) as a tool for attracting investment in the field of physical culture and sports in Ukraine, especially in the context of post-war recovery and decentralisation. Emphasis is placed on the legal nature of PPPs, their evolution in the international context, and the possibilities of creating inclusive sports infrastructure with the participation of the private sector. Special attention is paid to the role of sport in the physical and social rehabilitation of veterans. It is noted that the PPP model promotes effective management, innovation, and increased access to quality sports services for citizens. The necessity of developing new mechanisms of state support and balancing the interests of business and society is substantiated.

Key words: public-private partnership, sport, public administration, business, state, investment, relations, infrastructure projects.

ГУК І.-М. М. ЗАЛУЧЕННЯ ІНВЕСТИЦІЙ У СФЕРУ СПОРТУ: СУЧАСНІ ПІДХОДИ ТА КОНЦЕПЦІЯ ПУБЛІЧНО-ПРИВАТНОГО ПАРТНЕРСТВА

У сучасних умовах соціально-економічних трансформацій питання ефективного функціонування та розвитку сфери фізичної культури і спорту набуває особливої актуальності. Враховуючи обмеженість бюджетних ресурсів, зростаючу конкуренцію за фінансування та необхідність модернізації спортивної інфраструктури, важливою передумовою сталого розвитку спортивної галузі стає залучення додаткових джерел фінансування, зокрема інвестицій. Одним із найперспективніших механізмів забезпечення фінансової стабільності та реалізації масштабних спортивних проєктів є використання моделі публічно-приватного партнерства. Актуальність теми зумовлена потребою в системному переосмисленні ролі та можливостей співпраці державного і приватного секторів у сфері спорту в умовах децентралізації, післявоєнного відновлення України, а також глобальних тенденцій інтеграції спорту в економічні й соціальні процеси. Спорт у цьому контексті виступає як засіб фізичної реабілітації, так і ефективний механізм психологічної підтримки, зміцнення соціальних зв'язків і формування нових життєвих орієнтирів для ветеранів. Публічно-приватне партнерство як форма взаємодії забезпечує можливість не лише залучення позабюджетних коштів, а й підвищення ефективності управління спортивною інфраструктурою, впровадження інноваційних підходів до реалізації спортивних програм і проєктів, розширення доступу громадян – у тому числі ветеранів – до якісних спортивних послуг.

У статті розглядається потенціал публічно-приватного партнерства (ППП) як інструменту залучення інвестицій у сферу фізичної культури та спорту в Україні, особливо в умовах післявоєнного відновлення та децентралізації. Акцент зроблено на правовій природі PPP, його еволюції в міжнародному контексті, а також на можливостях створення інклюзивної спортивної інфраструктури за участю приватного сектора. Особливу увагу приділяється ролі спорту у фізичній і соціальній реабілітації ветеранів. Зазначено, що модель PPP сприяє ефективному управлінню, впровадженню інновацій та розширенню доступу громадян до якісних спортивних послуг. Обґрунтовано необхідність розробки нових механізмів державної підтримки та балансування інтересів бізнесу й суспільства.

Ключові слова: публічно-приватне партнерство, спорт, державне управління, бізнес, держава, інвестиції, відносини, інфраструктурні проєкти.

Introduction. In the context of transformational changes in Ukraine caused, in particular, by the war, the issue of effective involvement of private sector resources in the restoration, modernisation and development of infrastructure is becoming particularly relevant. One of the mechanisms for such involvement is a partnership between the public and private sectors. The national legislation currently enshrines the concept of public-private partnership (PPP), while legislative initiatives are under consideration to supplement or even replace this category with public-private partnership and social public-private partnership.

Purpose and objectives. The purpose of this study is to research contemporary approaches to investment attraction in the sports sector, with a particular emphasis on the application of public-private partnership mechanisms. The research aims to assess the potential of PPPs to enhance investment flows into sports infrastructure in Ukraine, especially in the context of post-war reconstruction and European integration.

The objectives of the study are as follows:

1. To critically analyze current investment practices in the sports sector in Ukraine and selected EU member states.
2. To examine the legal and institutional frameworks governing PPPs in the context of sports infrastructure development.
3. To evaluate the alignment of Ukraine's PPP legislation with EU standards and identify key areas for harmonization.

Research methods. The study uses a combination of empirical, comparative and policy-analytical methods to examine current approaches to attracting investment in the field of sports through public-private partnership (PPP) mechanisms. The methodology includes an analysis of regulations, strategies and public policies in the field of sports, investment and PPPs, both in Ukraine and in the EU. The comparative method allows us to compare the Ukrainian experience with European practices, identify differences in legal regulation, institutional support and implementation of partnerships. The empirical approach involves the study of implemented PPP projects in the sports sector, which allows us to identify effective models of cooperation and existing challenges. The policy analysis method allows us to assess the consistency of government decisions and strategic documents with the needs of the industry, as well as to identify areas for improving the policy of private sector involvement.

Results of the study. The phenomenon of public-private partnerships (PPPs) has a deep historical

background that can be traced back to the 16th century. One of the first examples of such cooperation was the financing of maritime expeditions and trading campaigns, when states engaged private individuals and companies in the joint development of new territories and resources. The examples of the English East India Company or the Dutch East India Company are particularly illustrative, as they operated under models that involved the distribution of functions, risks and profits between the state and private capital.

In the nineteenth century, the development of railway infrastructure in Europe and the United States demonstrated a new stage in the evolution of PPPs. The state, lacking sufficient resources for large-scale construction, transferred the right to design, build and operate railways to private companies that received concessions, tax breaks or other forms of support. According to Hodge, Greve & Boardman (2010), the basic elements of the PPP model were formed during these periods: contractual interaction, joint financing and long-term orientation.

However, it was in the second half of the twentieth century that the modern sense of PPPs was conceptualised and institutionalised. Many researchers, including Hodge & Greve (2007), believe that the UK in the 1990s, in particular the introduction of the Private Finance Initiative (PFI) programme, was the starting point for the establishment of PPPs as a systematic approach to engaging the private sector in the implementation of public projects. The programme involved decades-long contracts where the private sector not only built infrastructure but also managed it, ensuring quality and efficiency.

However, according to Yescombe (2011), the term 'public-private partnership' was first widely used in the 1950s in the United States, in particular in the field of co-financing school education, healthcare and housing. Over time, the concept of PPPs has spread to other areas, including healthcare, research programmes, energy and innovation. In the 21st century, it has become part of many international initiatives, including those of the United Nations, the World Bank, the Global Fund to Fight AIDS, Tuberculosis and Malaria, and programmes to address climate change.

From the perspective of historical and legal evolution, Hodge, Greve & Boardman (2010) point to a gradual shift in the functions of the state: from a direct service provider to a regulator and coordinator that delegates some of its powers to the private sector. This is due to both the financial constraints of state budgets and the desire to increase the efficiency, technology, and innovation of public projects.

According to the current Law of Ukraine 'On Public-Private Partnership' No. 2404-VI of 01.07.2010, PPP is defined as a form of cooperation between the state (represented by public authorities, local self-government bodies, the National Academy of Sciences of Ukraine, etc.) and private partners (except for state and municipal enterprises), which is implemented on a contractual basis and meets the criteria set out in the law.

At the same time, in the context of Ukraine's post-war recovery, a number of draft laws have been submitted to the Parliament to change or clarify approaches to public-private partnerships (№ 12422). For example, one of the draft laws introduces the category of social public-private partnership, which involves the implementation of projects in the social sphere (education, healthcare, culture) without profit for the private partner. The other draft law (№ 7508) proposes to replace the term 'public-private' with 'public-private partnership', extending the legal entity to all public parties, including local governments and other public institutions.

In the scientific literature, PPPs are seen as a complex, multidimensional phenomenon that encompasses legal, economic, political and social aspects. Researchers have not come to a single interpretation of PPPs, which indicates its conceptual flexibility and dependence on a particular context. There are at least three main approaches to interpreting the PPP: institutional, functional and critical.

The institutional approach focuses on formalised contractual relationships between public and private actors. Representatives of this approach, such as Evans & Bowman (2005), define a PPP as a long-term contractual agreement that involves sharing risks, financial obligations and responsibilities for the provision of public services or infrastructure facilities.

The functional approach, represented by the works of authors such as Grimsey & Lewis (2002, 2004), treats PPPs as a tool for managing resources, projects and risks in the delivery of public goods. They emphasise that partnerships cover not only the construction of roads or hospitals, but also projects in education, healthcare, and digital infrastructure – i.e. both hard and soft infrastructure.

The critical approach reflects a sceptical view of PPPs. Savas (2000), for example, notes that the term 'public-private partnership' is often used as a 'euphemism' for 'privatisation' because it is less controversial in the public domain. A similar view is supported by Van Ham & Koppenjan (2001), who emphasise the 'language game' where terminology is used to politically legitimise a shift in the role of

the state. They also emphasise the joint management of risks, resources and outcomes, emphasising the interdependence of partners rather than just legal contractuality.

Bovaird (2004) attempts to summarise these approaches, noting that the key feature of PPPs is the risk sharing between public and private parties, which distinguishes them from conventional public procurement or concessions. Bovis (2016), in turn, believes that PPPs are not only a management tool, but also a political strategy aimed at efficient use of resources under fiscal constraints.

Also noteworthy is the opinion of Yescombe (2007), who notes that PPPs are primarily a structured financing mechanism that allows combining the public need for infrastructure development with the financial interests of the private sector.

All of these approaches demonstrate that there is no universal, 'hard' definition of a PPP. Its content is shaped by the specific political, legal and economic environment, as well as cultural perceptions of the role of the state and the market.

One of the key directions of reforming the investment landscape in Ukraine – particularly in the sports sector – is the development and institutionalization of public-private partnership mechanisms. This objective gains particular importance in light of Ukraine's commitments under the Association Agreement with the European Union, which stipulates the creation of a favourable investment environment, promotion of fair competition, and modernization of the national economy, including support for infrastructure projects in sports and recreation (2014).

At the European level, PPP is broadly interpreted as a form of structured cooperation between public authorities and the private sector. Such cooperation often involves the creation of joint ventures with mixed capital aimed at implementing public contracts or concession agreements. Importantly, the role of private stakeholders is not limited to financial participation alone – it extends to operational management and contractual execution, thereby enhancing the overall efficiency of service delivery.

According to the OECD, PPPs are defined as long-term contractual arrangements in which the private partner assumes responsibility for financing, constructing, and delivering public services using capital assets, while also taking on associated risks. This model is highly adaptable to sports infrastructure projects – from the design and construction of stadiums and arenas to their long-term operation, maintenance, and technical management.

European regulatory frameworks further reinforce the importance of PPPs as an efficient tool for delivering infrastructure aligned with public policy objectives. Regulations such as EU Regulation №1316/2013 (establishing the Connecting Europe Facility) and Regulation №2015/1017 (on the European Fund for Strategic Investments) recognize PPPs as a critical mechanism for mobilizing both public and private capital. Instruments such as LGTT (Loan Guarantee Instrument for Trans-European Transport Network Projects), the Project Bond Initiative, and the Marguerite Fund have already proven effective in supporting transport and social infrastructure and could be similarly adapted for sports-related investments.

Moreover, Council Regulation (EU) 2021/2085 highlights that institutionalized PPPs must be accompanied by significant non-financial contributions from private partners. In the sports sector, such contributions may include technology transfer, provision of equipment, and managerial expertise, thus enhancing the quality and sustainability of projects.

In Ukraine, the legal basis for PPPs is laid out in the Law of Ukraine 'On Public-Private Partnership' (№ 2404-VI, dated July 1, 2010) and the Law 'On Concessions (№ 155-IX, dated October 3, 2019). These legislative acts provide the framework for implementing PPP projects in the sports domain, enabling private investors to engage in the financing, construction, and management of sports infrastructure. In line with the EU's legal harmonization agenda – particularly with Directive 2014/24/EU on public procurement and the EU Concessions Directive – Ukrainian concession agreements are expected to transfer operational risk to the private partner. This implies that the investor bears the financial risks associated with demand or supply of services (e.g., usage of a sports facility), without a guaranteed return on investment.

This risk-sharing model incentivizes private partners to ensure efficient and goal-oriented management, focusing on performance outcomes rather than passive asset ownership. However, the effective implementation of PPPs in Ukraine continues to face substantial challenges, including corruption, bureaucratic inefficiencies in tender procedures, limited institutional capacity, and unequal treatment of domestic and donor-backed companies. Addressing these barriers will require regulatory simplification, robust monitoring mechanisms, stakeholder engagement, and capacity-building programs for public officials.

In summary, PPPs offer considerable potential as an investment tool for revitalizing Ukraine's sports sector, especially in the context of post-war reconstruction and European integration. The adaptation of best EU practices and the use of innovative financial instruments can significantly enhance investor interest in sports infrastructure, contributing not only to economic growth but also to the health and well-being of the population.

Drawing upon OECD data and analysis (2012), several key determinants influence the performance of municipalities in Ukraine, particularly relevant in the context of attracting investment into the sports sector through public-private partnerships. These determinants include the fiscal and administrative capacities of local governments, as well as the duration and quality of their adaptation to newly assigned responsibilities following the decentralization and amalgamation reforms. Establishing a comprehensive performance measurement framework is therefore critical. Such a framework could significantly support Ukraine's post-war recovery by informing decision-making on regulatory, legislative, fiscal, and capacity-building measures. In the sports domain, this would translate into improved planning, financing, and delivery of public sports services, ultimately enhancing citizen well-being and municipal resilience.

Within the broader context of aligning Ukraine's legal system with EU standards, the reform of concession legislation is an essential component of Ukraine's commitments under the Association Agreement with the European Union. In particular, the harmonisation process with the EU public procurement acquis – notably Directive 2014/24/EU – seeks to establish transparent, competitive, and accountable mechanisms for concluding and managing concession agreements. These legal changes are especially pertinent to PPP-based investments in sports infrastructure, such as the construction and operation of stadiums, training facilities, or recreational complexes.

According to the EU Concessions Directive, as interpreted by the case law of the Court of Justice of the European Union, a hallmark of a concession agreement is the transfer of operational risk to the private partner. In the context of sports PPPs, this implies that the concessionaire assumes full or partial demand and/or supply risks – for instance, attendance-based revenue or maintenance costs – without state guarantees of investment reimbursement. Such arrangements are designed to incentivize efficiency and innovation while ensuring value for public money. (Spilno, Implementation of PPP in Ukraine, 2017).

However, several structural risks continue to challenge the effective implementation of PPPs in Ukraine, including in the sports sector. Corruption remains a systemic problem within the public administration, exacerbated by the substantial funds allocated for post-war reconstruction, including infrastructure for sports and recreation. Although anti-corruption efforts have seen partial improvements, significant risks persist throughout the procurement cycle. Mitigation measures should include systematic corruption risk assessments, strengthened internal controls, transparency initiatives, independent audit mechanisms, and active involvement of civil society.

Further, procurement processes remain overly complex, time-consuming, and inefficient – barriers that hinder timely implementation of PPP projects in sports. While transparency must be maintained, simplification of procurement legislation is essential to ensure efficiency and responsiveness. Dedicated monitoring mechanisms can help identify procedural bottlenecks, while central procurement institutions must be empowered with expanded technical and human capacities.

Another emerging concern is the pressure to favour domestic or donor-country companies, which could distort market dynamics and contradict EU competition principles. Although prioritizing local economic development is important, such practices must conform to EU procurement law to maintain a fair and competitive investment environment.

Finally, institutional capacity limitations represent a significant bottleneck, particularly at the municipal level where many sports infrastructure projects are initiated. Effective PPP deployment in the sports sector will require extensive international technical support – including training programs, advisory centres, development of standardized PPP toolkits, and direct institutional assistance. (Public Procurement in the Post-War Reconstruction of Ukraine – Main Challenges, 2023).

Conclusions. In conclusion, the development of a robust and transparent PPP framework for the sports sector in Ukraine not only aligns with EU integration goals but also serves as a cornerstone for attracting private investment, enhancing infrastructure quality, and promoting community well-being in the long term.

The study found that the public-private partnership mechanism has proven to be effective as a model of cooperation between the public and private sectors in the implementation of infrastructure projects around the world. For Ukraine, the development of PPPs in the field of sports is of particular importance in the context of post-war recovery and European integration. The regulatory framework for PPPs is gradually improving: the legal basis is in place, and harmonisation with EU requirements is underway, particularly in the areas of concession legislation and public procurement, which is in line with EU Directives.

Improving Ukraine's participation in PPP projects involves not only legislative approximation to EU norms, but also strengthening institutional capacity, simplifying procedures, and ensuring predictability of the regulatory environment. It is particularly relevant to introduce clear mechanisms for implementing PPPs in the sports sector, where significant potential remains untapped due to insufficient legal detail and limited capacity of municipalities to initiate and support such projects.

The research hypothesis that European integration has a positive impact on the development of infrastructure PPP projects, particularly in sports, is confirmed. However, in order to effectively attract EU funding, it is necessary to ensure transparency of tender procedures, compliance with the requirements of European financial instruments, and overcome the risks associated with corruption at the stages of contractor selection and project implementation. These factors largely determine the willingness of European partners to participate in Ukrainian PPP projects.

At the same time, the concept of PPPs in national legislation remains narrow compared to European practice, which needs to be improved both in terms of adaptation to decentralisation reforms and in the context of implementing the provisions of the EU-Ukraine Association Agreement.

A promising area for further research is to study the experience of implementing PPPs in the social sector in the EU and assess the possibilities of applying such models in Ukraine, particularly in the field of physical culture and sports, in order to ensure sustainable infrastructure development and improve the quality of public services.

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Дата першого надходження рукопису до видання: 20.10.2025

Дата прийнятого до друку рукопису після рецензування: 17.11.2025

Дата публікації: 30.12.2025