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## **PROJECT MECHANISMS OF PUBLIC MANAGEMENT OF REGIONAL AND LOCAL DEVELOPMENT IN THE CONTEXT OF DECENTRALIZATION**

The aim of the article was to provide a comprehensive justification of the theoretical and applied principles of the functioning of project mechanisms of public management of regional and local development in the context of decentralization, digitalization and implementation of sustainable development goals. The methodological basis of the study was the systemic and structural-functional approaches, methods of analysis and synthesis, institutional analysis, comparative method, generalization of regulatory legal acts. As a result of the study, it was established that sustainable regional development in a decentralized management system is implemented mainly through program-targeted and project tools that integrate strategic planning, budgeting and performance monitoring. It is substantiated that the combination of political, administrative and financial decentralization forms the institutional basis for the transition to a project-oriented model of territorial management, in which communities act as independent development subjects. It was found that the introduction of competitive mechanisms for the selection and co-financing of projects, through state regional policy instruments, contributes to increasing transparency and efficiency in the use of resources, but at the same time, the unevenness of the financial and human resources capacity of communities persists. It is proven that the integration of digital technologies and the principle of inclusive development enhance the effectiveness of project mechanisms, ensuring the openness of management processes and expanding citizen participation in the formation of local policy. The practical significance of the research results lies in the possibility of their use by state authorities and local governments to improve strategic planning, form portfolios of territorial projects, optimize their financing mechanisms and increase the efficiency of the implementation of digital and inclusive community development tools.

**Keywords:** digitalization; inclusivity; budget expenditures; management decisions; social goals.