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В ІНТЕГРАЦІЇ ДО ЄДИНОГО РИНКУ ЄС

FINANSING OF THE UKRAINIAN IT-BUSINESS UNDER THE
CONDITIONS OF INTEGRATION TO THE EU SINGLE MARKET

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The domestic IT sector is one of the largest exporters of IT services in Europe and the second largest exporter in Ukraine. Before the start of the full-scale Russian-Ukrainian war, the domestic IT market generated more than 4% of GDP. According to the NBU, in the military year of 2022, the IT industry ensured an increase in export revenue by 5.85%. The information and communication technologies (ICT) sector of Ukraine continues to demonstrate growth, which contributes to the modernization of the Ukrainian IT business in the context of integration into the EU single market.

In July 2023, a meeting of representatives of the Committee of the Verkhovna Rada of Ukraine on Digital Transformation and officials of the Ministry of Digital Transformation of Ukraine with members of the Committee on Internal Market and Consumer Rights Protection of the European Parliament took place. At the meeting, it was noted that integration into the EU's Single Digital Market is an unchanging priority for Ukraine. Therefore, the Law of Ukraine «On Electronic Communications» was adopted. Adoption of the said draft law will stimulate the deployment of high-speed electronic communication networks, contribute to the stable functioning of electronic communication networks and access to digital systems or systems that provide equivalent functionality. Work is also ongoing on the draft Law of Ukraine «On Digital Services and Markets» [1].

Today, Ukraine is a signatory to the Association Agreement with the EU and has the status of a candidate for EU membership. Within the

framework of this Agreement, the European Commission has proposed to create a new instrument «Ukraine Facility» in the amount of 50 billion euros in the form of grants and loans to provide predictable financial support to Ukraine during 2024-2027. The Fund for Aid to Ukraine was established for the purpose of restoration, reconstruction and modernization of our country. The fund will support structural reforms and investments aimed at deepening the integration of digital markets.

Integration into the EU's single digital market has already begun. The acceleration of the digital transformation and the recovery of Ukraine's economy is facilitated by the financing of projects of digital global gateways of the EU Program «Connecting Europe Facility, CEF» in the amount of about 6 billion euros in the main directions [2]:

- high-performance computing - 2.2 billion euros (projects to calculate large data sets for decisions in the field of economy, defense industry, and health care);

- artificial intelligence, data and cloud services - 2.1 billion euros (projects that create products based on artificial intelligence to facilitate the work of enterprises, state administrations, research institutions);

- the use of digital technologies in the economy and society - 1.1 billion euros (projects that implement digitalization in business, e-government, health care, environment, education and culture, Smart City technologies);

- digital skills – 580 million euros (projects for acquiring new skills in the IT field);

- cyber security.

In the autumn of 2023, Ukraine joined the EU Program «Digital Europe», which provides for financing the digitalization of European countries in various directions. Thanks to this, a network of digital innovation hubs is being formed in Ukraine, which will help businesses test the necessary technologies and tools, as well as invest in the most effective of them.

Within the digital component of the EU program «Connecting Europe Facility, CEF», the new wave of tenders of the European Commission opens up the opportunity to finance projects for participants from Ukraine in the amount of 190 million euros for the development of Internet infrastructure and 5G in two directions:

- 100 million euros – for research and work on 5G coverage along transport corridors (road, railway, waterways);

- EUR 90 million – for research and work on the launch of trunk communication for digital global gateways Global Gateways (submarine cables, terrestrial satellite infrastructure).

The European Executive Agency for Health and Digital Technologies will co-finance projects related to the development of Gigabit and 5G networks. In addition, cooperation will contribute to the acceleration of the construction of the technological telecom infrastructure and the integration of Ukraine into the European digital ecosystem.

The USAID project «Cybersecurity of Critically Important Infrastructure of Ukraine» and the Ministry of Digital Transformation of Ukraine are launching a grant program in the amount of 500 thousand dollars. USA to finance innovative solutions and technological products in the field of cyber defense [3]. Funding of the program will enable the implementation of Ukrainian projects that will help protect critical infrastructure and gain an advantage over the enemy in cyberspace. Developers will receive about 50 thousand dollars. USA to implement ideas in the field of cyber defense.

So, today Ukraine is one of the most progressive digital states in the world. The involvement of international partners in the financing of projects within the framework of the Recovery Plan of Ukraine contributes to the acceleration of our country's approach to the EU's Single Digital Market, the implementation of digital reforms in all spheres of social life, the restoration of Ukraine's economy for the next digital transformation of the national economy and the activation of the digital potential of Ukrainian companies.

The European integration process should create a powerful synergy effect for both sides in the field of information technology development, because the European integration of Ukraine will increase the competitiveness of the EU in the digital sphere and provide the Ukrainian IT market with additional incentives for development.

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