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## **INVESTMENT COOPERATION BETWEEN UKRAINE AND PARTNER COUNTRIES**

The full-scale war in Ukraine has not diminished the interests of Western partner countries, as their investments are a source of funds to stabilize the situation and rebuild Ukraine's economy and society. To this end, the Ukrainian government is trying to establish close cooperation with various partner countries more intensively and effectively.

In 2022, the European Union and Ukraine, with the support of the International Finance Corporation, signed a guarantee agreement on support in the form of more than €500 million in investments to help Ukraine's recovery.

Under this agreement, €90 million was allocated to the Better Future program, and \$2 milliard was allocated to the Economic Resilience Program to support agribusiness, financing for small and medium-sized enterprises, and critical exports and imports.

Despite the positive developments, the situation in Ukraine remains difficult. The war is currently causing large-scale losses. In 2023, the losses reached almost \$152 milliards, and at the beginning of 2024 they amounted to more than \$157 milliards.

However, much more financial resources are needed to restore the economy and society. In this situation, the Ukrainian government is counting not only on the help and support of partner countries but also on increased funding from private capital, which comes even in times of war [1, p. 87].

Currently, Western partner countries whose representatives operate in Ukraine invest the most in Ukraine. After all, member companies of the European Business Association have investment projects/programs/grants, and in 2023, the average amount of investment was almost \$5 million.

Their activities are especially aimed at opening factories (increasing capacity, renovating production facilities, modernizing equipment), purchasing innovative agricultural machinery, and investing in digital products (IT, software).

According to the National Bank, in 2023, almost \$4.3 milliards was invested in the development of Ukraine's economy, with foreign investment mainly aimed at restoring capacities and backup energy sources (large industrial generators) that were damaged by shelling. In addition, foreign

arms companies are currently showing the greatest interest in Ukraine, for example, Baykar and Quantum-Systems to build production facilities for the production of drones, Rheinmetall to build factories for the production of military equipment and supplies, NJJ Capital to acquire the mobile operator lifecell, and OTP Bank Plc to privatize Sense Bank. These investments will optimize logistics operations, test developments in real conditions and, if necessary, improve them, and create jobs [2, pp. 8-13].

Western investors are interested in Ukraine because these partner countries see quite a lot of opportunities and a large market in Ukraine. For example, CRH is investing in the development of new cement production facilities (it acquired Astor plants and modernized them).

At the same time, Ukraine is geographically close to the EU, which creates additional interests in attracting cheap labor and high production profitability. The Ukraine Facility (Ukraine Investment Framework) program is expected to attract about 40 milliard euros of investments, as a result of reducing security risks of large-scale investment projects [3, pp. 250-251].

To attract foreign investors, the Ukrainian government needs to take several steps, including reforming the judicial system, modernizing the tax and customs services, transforming business standards and rules, and protecting intellectual property rights. This, in turn, will allow Ukraine to become an economically developed country and an attractive destination for Ukrainian migrants.

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