

MINISTRY OF EDUCATION AND SCIENCE OF UKRAINE
UKRAINIAN-AMERICAN CONCORDIA UNIVERSITY

Faculty of Management and Business

Department of International Economic Relations, Business & Management

Bachelor's Qualification Work

Principles of cooperation between Ukraine and the EU in investing (based on BMN case)

Bachelor student of the 4th year of study

Field of study 29 – International Relations

Specialty 292 – International Economic
Relations

Educational program –

International Economic Relations

Yaryna Sachuk

Research supervisor

Glib Buriak

Kyiv – 2024

ABSTRACT

**of a Bachelor's Qualification Work
for acquiring Bachelor's degree in 29 "International Relations "
specialty 292 "International Economic Relations"
educational-professional program " International Economic Relations"
Management and Business Faculty
Ukrainian-American Concordia University**

by Yaryna Sachuk

**Topic "Principles of cooperation between Ukraine and the EU in investing
(based on BMN case)"**

Key words: cooperation between Ukraine and the EU, investments, principles of cooperation, investment attractiveness, bilateral economic relations, economic development.

The cooperation between Ukraine and the European Union (EU) in the realm of investments plays a crucial role in fostering mutual economic growth, development, and integration. This Bachelor's Qualification Work examines the principles of cooperation between Ukraine and the EU in investing, utilizing the case of the "Business Media Network of Ukraine" (BMN) to provide practical insights.

The study explores the theoretical and methodical aspects of the Ukraine-EU investment landscape, delving into the essence, features, and methodical approaches of their cooperation. It analyzes the practical aspects of cooperation principles, focusing on the organizational and economic characteristics of BMN and its role in facilitating investment cooperation between Ukraine and Europe.

Through case studies and factual evidence, the work assesses the investment attractiveness and cooperation dynamics within the context of BMN, highlighting the effectiveness of collaborative mechanisms and their impact on bilateral investment relations. It identifies weaknesses and challenges in the existing principles of cooperation and proposes strategies for overcoming them.

The study develops a rationale for improvement programs aimed at optimizing the principles of cooperation between Ukraine and the EU in the investment arena. It outlines the anticipated benefits and strategic imperatives of these programs, emphasizing their potential to enhance bilateral economic relations and long-term sustainability.

By employing a multifaceted research approach, combining qualitative and quantitative methods, the study contributes novel insights and empirical depth to the understanding of Ukraine-EU investment cooperation. The findings hold both theoretical significance, advancing conceptual frameworks, and practical significance, informing policymaking and business strategies.

Overall, this Bachelor's Qualification Work provides a comprehensive analysis of the principles of cooperation between Ukraine and the EU in investing, offering valuable insights for policymakers, investors, and scholars interested in the dynamics of their investment relationship and its implications for economic development and integration.

Key references from my Bachelor's Qualification Work:

1. ASSOCIATION AGREEMENT between the European Union and its Member States, of the one part, and Ukraine, of the other part. (2016).
2. Chernenko, N.O., Lisnyak, V.O. (2016), Development of cooperation between Ukraine and the EU in the field of innovation and investment activities.
3. Buryak, A.A., Moklyak, M.V. and others (2016), New realities and opportunities for recovery of investment activity in the regions of Ukraine in terms of European integration.
4. Yakhno, T.P., Makogin, Z.Y. (2014), Priority directions of formation of investment cooperation of Ukraine with the countries of the European Union.
5. BMN. (2023a). BMN annual report 2022. [Internal company document]. Business Media Network.
6. BMN. (2023b). BMN business development strategy 2023-2025. [Internal company document]. Business Media Network.
7. BMN. (2023g). BMN financial statements 2022. [Internal company document]. Business Media Network.
8. BMN. (2023i). BMN investor relations strategy. [Internal company document]. Business Media Network.
9. BMN. (2023j). BMN market research report: Ukraine FDI trends. [Internal company document]. Business Media Network.
10. BMN. (2023n). BMN partnership development guidelines. [Internal company document]. Business Media Network.
11. BMN. (2023p). BMN risk management policy. [Internal company document]. Business Media Network.
12. BMN. (2023r). BMN strategic plan 2023-2027. [Internal company document].

Business Media Network.

13. BMN. (2023w). BMN value proposition and competitive positioning. [Internal company document]. Business Media Network.

14. BMN. (2023z). UMEDA feasibility study and implementation plan. [Internal company document]. Business Media Network.

15. BMN. (2023ac). BMN performance metrics dashboard 2022. [Internal company document]. Business Media Network.

16. Audretsch, D. B., Momtaz, P. P., Motuzenko, H., & Vismara, S. (2023, January 1). The Economic Costs of the Russia-Ukraine War: A Synthetic Control Study of (Lost) Entrepreneurship.

17. OECD. (2020). SME Policy Index: Eastern Partner Countries 2020: Assessing the Implementation of the Small Business Act for Europe.

18. Atlantic Council. (2022). Advancing a framework for the stabilization and reconstruction of Ukraine.

19. Stronger Together: Present and Future Challenges on Ukraine's Road to EU Integration (2023).

20. Strategy for easing FX restrictions, transition to greater exchange rate flexibility and return to inflation targeting, National Bank of Ukraine (2023).

21. Rabinovych, M. (2022), EU-Ukraine "deep" trade agenda: the effectiveness and impact perspectives, "International Politics".

Анотація

Ключові слова: співпраця між Україною та ЄС, інвестиції, принципи співпраці, інвестиційна привабливість, двосторонні економічні відносини, економічний розвиток.

Тема "Принципи співпраці між Україною та Європейським Союзом у сфері інвестування (на прикладі випадку BMN)"

Співпраця між Україною та Європейським Союзом (ЄС) у сфері інвестицій відіграє важливу роль у сприянні взаємному економічному зростанню, розвитку та інтеграції. Ця дипломна робота досліджує принципи співпраці між Україною та ЄС у сфері інвестування, використовуючи "Бізнес Медіа Мережа України" (BMN) для надання практичних уявлень.

Робота показує дослідження теоретичних та методичних аспектів українсько-європейського інвестиційного ландшафту, особливості та методичні підходи їх співпраці. Аналізуються практичні аспекти принципів співпраці, зосереджуючись на організаційних та економічних характеристиках BMN та його інвестиційній співпраці між Україною та Європою.

За допомогою аналізу інформації робота оцінює інвестиційну привабливість та динаміку співпраці в контексті BMN, виділяючи ефективність спільних механізмів та їх вплив на інвестиційні відносини. Визначаються слабкі місця, труднощі в існуючих принципах співпраці та пропонуються стратегії їх подолання.

У роботі наведені приклади покращення, які спрямовані на оптимізацію принципів співпраці між Україною та ЄС у сфері інвестицій. Також аналізуються та визначаються переваги та стратегічні ідеї цих програм, підкреслюються їх потенціал для підвищення двосторонніх економічних відносин та довгострокової співпраці.

Застосовуючи багатогранний дослідницький підхід, поєднуючи різні види методів, дослідження вносить нові уявлення та розуміння українсько-європейської інвестиційної співпраці. Знайдені результати мають як теоретичне значення, розвиваючи концептуальні каркаси, так і практичне значення, надаючи

інформацію для прийняття політичних рішень та стратегій бізнесу.

У цілому, ця дипломна робота надає комплексний аналіз принципів співпраці між Україною та ЄС у сфері інвестування, пропонуючи цінні уявлення для політиків, інвесторів та науковців, які зацікавлені у динаміці їхніх інвестиційних відносин та їхніх наслідків для економічного розвитку та інтеграції.

Ключові посилання з моєї дипломної роботи бакалавра:

1. УГОДА ПРО АСОЦІАЦІЮ між Україною, з однієї сторони, та Європейським Союзом, Європейським співтовариством з атомної енергії і їхніми державами-членами, з іншої сторони. (2016).

2. Черненко, Н.О., Лісняк, В.О. (2016), Розвиток співробітництва між Україною та ЄС у сфері інноваційно-інвестиційної діяльності.

3. Буряк, А.А., Мокляк, М.В. та інші (2016), Нові реалії та можливості відновлення інвестиційної активності в регіонах України в умовах євроінтеграції.

4. Яхно, Т.П., Макогін, З.Я. (2014), Пріоритетні напрями формування інвестиційного співробітництва України з країнами Європейського Союзу.

5. BMN. (2023a). Річний звіт BMN за 2022 рік. [Внутрішній документ компанії]. Business Media Network.

6. BMN. (2023b). Стратегія розвитку бізнесу BMN на 2023-2025 роки. [Внутрішній документ компанії]. Business Media Network.

7. BMN. (2023g). Фінансова звітність BMN за 2022 рік. [Внутрішній документ компанії]. Business Media Network.

8. BMN. (2023i). Стратегія взаємовідносин з інвесторами BMN. [Внутрішній документ компанії]. Business Media Network.

9. BMN. (2023j). Звіт про дослідження ринку BMN: Тенденції прямих іноземних інвестицій в Україні. [Внутрішній документ компанії]. Business Media Network.

10. BMN. (2023n). Керівні принципи розвитку партнерства BMN. [Внутрішній документ компанії]. Business Media Network.

11. BMN. (2023p). Політика управління ризиками BMN. [Внутрішній документ компанії]. Business Media Network.

12. BMN. (2023r). Стратегічний план BMN на 2023-2027 роки. [Внутрішній документ компанії]. Business Media Network.

13. BMN. (2023w). Ціннісна пропозиція та конкурентне позиціонування BMN. [Внутрішній документ компанії]. Business Media Network.

14. BMN. (2023z). Техніко-економічне обґрунтування та план реалізації проекту UMEDA. [Внутрішній документ компанії]. Business Media Network.
15. BMN. (2023ac). Панель показників ефективності BMN за 2022 рік. [Внутрішній документ компанії]. Business Media Network.
16. Audretsch, D. B., Momtaz, P. P., Motuzenko, H., & Vismara, S. (2023, 1 січня). Економічні витрати російсько-української війни: синтетичне контрольне дослідження (втраченого) підприємництва.
17. OECD. (2020). Індекс політики щодо МСП: Країни Східного партнерства 2020: Оцінка впровадження Акту про малий бізнес для Європи.
18. Atlantic Council. (2022). Просування рамок для стабілізації та відбудови України.
19. Разом сильніші: Сучасні та майбутні виклики на шляху України до інтеграції в ЄС (2023).
20. Стратегія пом'якшення валютних обмежень, переходу до більшої гнучкості обмінного курсу та повернення до таргетування інфляції, Національний банк України (2023).
21. Рабінович, М. (2022), Порядок денний "глибокої" торгівлі між ЄС та Україною: ефективність та перспективи впливу, "Міжнародна політика".

PHEE-institute «Ukrainian-American Concordia University»

Faculty of Management and Business
Department of International Economic Relations, Business and Management

Educational level: **Bachelor degree**
Specialty **292 “International Economic Relations”**
Educational program **“International Economic Relations”**

APPROVED

Head of Department _____



Prof. Zharova L.V.

“ 11 ” _____ May _____ 20 _____ 24 _____

TASK
FOR BACHELOR'S QUALIFICATION WORK OF STUDENT

Sachuk Yaryna

(Name, Surname)

1. Topic of the bachelor's qualification work

**Principles of cooperation between Ukraine and the EU in investing
(based on BMN case)**

Supervisor of the bachelor's qualification work Buriak Glib, PhD,
(surname, name, degree, academic rank)

Which approved by Order of University from **“25” September 2023 № 25-09/2023-4K**

2. Deadline for bachelor's qualification work submission **“25” April 2024.**

3. Data-out to the bachelor's qualification work

Materials include items from an internship completed in consultation with representatives of a relevant company, as well as data from articles, reports from international organizations, free internet resources, and official financial and economic reports of the business.

4. Contents of the explanatory note (list of issues to be developed)

This research aims to thoroughly assess how Ukraine and the EU work together on investments and find ways to make their collaboration better. Here are the main goals:

- **Understand the basics of Ukraine-EU investment cooperation, including theories and methods.**
- **Look into how Ukraine and the EU practically collaborate on investments, especially focusing on platforms like the "Business Media Network of Ukraine."**
- **Evaluate how attractive and effective the investment partnership between Ukraine and Europe is within the BMN, using real-life examples.**
- **Find any problems or difficulties in how Ukraine and the EU currently cooperate on investments and suggest ways to fix them.**
- **Come up with plans to make Ukraine-EU investment cooperation even better, explaining why these improvements are important and how they can be achieved.**

5. List of graphic material (with exact indication of any mandatory drawings)
 - Graphs and figures for analysis of cooperation between Ukraine and the EU in investing area.
 - Economical and statistical information (tables) on the company and its development
 - General structure of the company
 - Road map
6. Date of issue of the assignment

Time Schedule

№	The title of the parts of the qualification paper (work)	Deadlines	Notes
1.	I part of bachelor thesis	10.12.2023	Done
2.	II part of bachelor thesis	27.02.2024	Done
3.	Introduction, conclusions, summary	25.04.2024	Done
4.	Pre-defense of the thesis	30.04.2024	

Student



(signature)

Supervisor

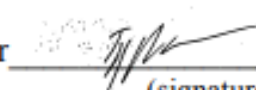


(signature)

Conclusions (*general description of the work; participation in scientific conferences/ prepared scientific article; what grade does the student deserve*):

The student's research focuses on assessing Ukraine-EU investment cooperation, aiming to improve collaboration. Despite occasional delays in task submissions, the student's dedication and hard work are evident. Because the research was sufficiently finished, it satisfies the fundamental requirements for the bachelor's qualification work. Enough data collected throughout internship was processed in order to conduct analysis. Furthermore, the student, actively participated in two scientific conferences and completed scientific thesis. The work might receive a "good" grade with additional improvement based on suggestions from the preliminary defense and presentation at the public defense.

Supervisor



(signature)

CONTENT

CONTENT	2
INTRODUCTION	3
CHAPTER 1. THEORETICAL AND METHODOLOGICAL ASPECTS OF UKRAINE-EU INVESTMENT LANDSCAPE.....	8
1.1. Essence of cooperation between Ukraine and the EU in investing area	8
1.2. Features of cooperation between Ukraine and the EU in investing	18
1.3. Methodical approaches of cooperation Ukraine and EU in aspect of investments	28
CHAPTER 2. Practical aspects of principles of cooperation between Ukraine and the EU in investing including cases in "Business media network of Ukraine" ...	29
2.1. Organizational and economic characteristics of the "BMN"	29
2.2. Analysis of investment attractiveness and cooperation between Ukraine and Europe in "Business media network of Ukraine"	40
CHAPTER 3. Improvement of Principles of cooperation between Ukraine and the EU in investing area	49
3.1. Ways to overcome weaknesses in principles of cooperation between Ukraine and the EU in investing	49
3.2. Analysis of the effectiveness of the proposed improvements	56
CONCLUSIONS.....	61
REFERENCES	64

INTRODUCTION

In the contemporary global economy, international cooperation in the realm of investments holds significant importance, particularly in the context of relations between Ukraine and the European Union (EU). This chapter delves into the theoretical foundations and methodological frameworks underpinning the investment landscape between Ukraine and the EU. Understanding the essence of cooperation between Ukraine and the EU in the investment domain is fundamental to grasping the dynamics and intricacies of their economic relationship. This section explores the underlying principles and objectives driving investment collaboration between the two entities. An analysis of the distinctive features characterizing the cooperation between Ukraine and the EU in the investment sphere is crucial for comprehending the evolving nature of their economic ties. This subsection identifies key elements shaping their collaborative efforts and delineates their significance in fostering mutual growth and development. Examining methodological approaches to cooperation between Ukraine and the EU in the context of investments provides insights into the strategic frameworks and operational modalities guiding their joint endeavors. This segment evaluates various methodological tools and techniques employed to facilitate effective investment cooperation between the two entities.

Amidst the theoretical underpinnings, the practical manifestations of cooperation between Ukraine and the EU in investment activities are paramount. This chapter focuses on elucidating the practical dimensions of their collaborative principles, supplemented by case studies within the context of the "Business Media Network of Ukraine". An in-depth examination of the organizational and economic attributes of the "Business Media Network of Ukraine" (BMN) sets the stage for understanding its role as a platform for investment-related discourse and engagement. This section provides insights into the structure, functions, and economic implications of the BMN within the broader framework of Ukraine-EU investment cooperation. A meticulous analysis of investment attractiveness and cooperation dynamics within the BMN offers valuable perspectives on the practical implementation of principles

guiding Ukraine-EU investment collaboration. Through case studies and empirical evidence, this subsection evaluates the efficacy of cooperative mechanisms within the BMN and assesses their impact on bilateral investment relations.

As with any collaborative endeavor, continuous improvement and refinement of principles are essential for enhancing the effectiveness and sustainability of Ukraine-EU investment cooperation. This chapter explores avenues for optimizing cooperative frameworks and outlines a rationale for implementing improvement programs in the Identifying and addressing weaknesses in existing principles of cooperation between Ukraine and the EU in the investment domain are imperative for fostering a more robust and resilient partnership. This section proposes strategies and measures aimed at mitigating identified challenges and enhancing the overall efficacy of collaborative mechanisms. Providing a rationale for the development and implementation of improvement programs in Ukraine-EU investment cooperation entails a comprehensive assessment of the anticipated benefits and strategic imperatives. This subsection delineates the underlying rationale and strategic objectives driving the proposed enhancement initiatives, highlighting their potential impact on bilateral economic relations and long-term sustainability.

The object of this study is the cooperation between Ukraine and the European Union (EU) in the realm of investments.

The subject of this study encompasses the theoretical and practical aspects of Ukraine-EU investment cooperation, with a focus on analyzing the principles, mechanisms, and challenges inherent in their collaborative efforts.

The goal of this research is to comprehensively examine and evaluate the cooperation between Ukraine and the EU in the investment domain, aiming to identify opportunities for enhancement and improvement in their collaborative frameworks.

Objectives of the Study:

- to elucidate the essence and features of cooperation between Ukraine and the EU in the investment area, encompassing theoretical underpinnings and methodological approaches;

- to analyze the practical aspects of Ukraine-EU investment cooperation, with a particular emphasis on the organizational and economic characteristics of platforms such as the "Business Media Network of Ukraine";
- to assess the investment attractiveness and cooperation dynamics between Ukraine and Europe within the context of the BMN, utilizing case studies and empirical evidence;
- to identify weaknesses and challenges in the existing principles of cooperation between Ukraine and the EU in the investment domain, and propose strategies for overcoming them;
- to develop a rationale for improvement programs aimed at optimizing the principles of cooperation between Ukraine and the EU in the investment arena, outlining their anticipated benefits and strategic imperatives.

Research methods. This study employs a multifaceted approach to investigate the cooperation between Ukraine and the European Union (EU) in the field of investments. Utilizing both qualitative and quantitative research methods, the study gathers and analyzes data from various sources including academic literature, official documents, statistical databases, and case studies. Qualitative methods such as content analysis and thematic coding are employed to explore the theoretical foundations and methodological frameworks of Ukraine-EU investment cooperation. Additionally, quantitative methods including statistical analysis and econometric modeling are utilized to assess the practical aspects of investment attractiveness and cooperation dynamics within the context of platforms such as the "Business Media Network of Ukraine." The combination of these research methods enables a comprehensive understanding of the complex dynamics and intricacies of Ukraine-EU investment collaboration.

Scientific novelty. This research contributes to the existing body of knowledge by providing novel insights into the cooperation between Ukraine and the EU in the investment domain. By conducting a detailed analysis of both theoretical and practical aspects of Ukraine-EU investment cooperation, the study unveils new perspectives and

interpretations that extend beyond current understandings. Furthermore, the integration of case studies within the "Business Media Network of Ukraine" adds empirical depth to the research, shedding light on previously unexplored dimensions of investment collaboration between Ukraine and Europe. The synthesis of qualitative and quantitative data enables the identification of emerging trends, patterns, and challenges, thereby enriching the scholarly discourse on Ukraine-EU relations and international investment dynamics.

Theoretical significance lies in the study's ability to advance theoretical frameworks and conceptual understandings of international investment cooperation, particularly within the context of Ukraine-EU relations. By elucidating the essence, features, and methodological approaches of Ukraine-EU investment collaboration, the research contributes to theoretical debates surrounding intergovernmental partnerships and economic integration. Moreover, the identification of weaknesses and challenges in existing principles of cooperation offers theoretical insights into the complexities of international economic relations and the factors influencing their effectiveness. The theoretical underpinnings of this study provide a solid foundation for further research and theoretical development in the field of international economics and political economy.

The practical significance of this research lies in its implications for policymakers, business leaders, and stakeholders involved in Ukraine-EU investment cooperation. By offering a comprehensive assessment of investment attractiveness and cooperation dynamics, the study informs strategic decision-making processes and policy formulation efforts aimed at enhancing bilateral economic relations. The identification of improvement programs and strategies to overcome weaknesses in cooperation principles provides actionable insights for policymakers and practitioners seeking to optimize collaborative frameworks and foster mutual growth and development. Additionally, the empirical evidence and case studies presented in this study offer practical guidance for businesses and investors navigating the Ukraine-EU investment landscape, facilitating informed investment decisions and fostering greater transparency and trust in bilateral economic relations. Overall, the practical

significance of this research lies in its potential to catalyze positive change and drive sustainable economic development in Ukraine and the European Union.

CHAPTER 1. THEORETICAL AND METHODOLOGICAL ASPECTS OF UKRAINE-EU INVESTMENT LANDSCAPE

1.1. Essence of cooperation between Ukraine and the EU in investing area

Bilateral Investment Treaties (BITs) represent a cornerstone of international investment law and play a pivotal role in shaping the landscape of investment cooperation between countries. In the context of Ukraine and the European Union (EU), BITs serve as essential instruments for promoting and protecting investment flows between Ukrainian and EU investors. These treaties establish a legal framework that offers reciprocal guarantees and protections to investors from both parties, thereby fostering trust and confidence in cross-border investment activities (Falkner R., 2003).

Ukraine has entered into numerous BITs with EU member states, as well as with the EU itself through its various trade and investment agreements. These treaties typically include provisions related to investment protection, such as the protection against expropriation without compensation, the guarantee of fair and equitable treatment, and the right to repatriate profits and capital freely. BITs often include mechanisms for the resolution of investment disputes between investors and host states. These mechanisms may include investor-state arbitration, whereby investors can seek redress for alleged breaches of treaty obligations by the host state. Such dispute resolution mechanisms enhance the enforceability of investment protections and contribute to the overall stability and predictability of the investment environment (Statistics of the external sector of Ukraine, 2021).

In recent years, there has been growing scrutiny and debate surrounding the investor-state dispute settlement (ISDS) mechanisms included in BITs. Critics argue that ISDS provisions grant excessive privileges to foreign investors and undermine the sovereignty of host states by allowing them to be sued in international tribunals. Consequently, there has been a trend towards revising and modernizing BITs to address these concerns and strike a balance between investor protection and regulatory autonomy. For Ukraine and the EU, the evolution of BITs reflects broader developments in their economic relationship and shared commitment to fostering

investment cooperation. As Ukraine continues its path towards European integration and economic reform, BITs serve as important tools for aligning its investment regime with international standards and attracting foreign investment from EU countries. Meanwhile, for EU investors, BITs provide reassurance and legal certainty when investing in Ukraine, contributing to the deepening of economic ties between the two parties (Chernenko N.O., Lisnyak V.O., 2016).

Trade agreements between Ukraine and the European Union (EU) constitute a cornerstone of their economic relationship, with significant implications for investment cooperation. The Association Agreement, including its Deep and Comprehensive Free Trade Area (DCFTA), stands as the most comprehensive agreement between Ukraine and the EU. The DCFTA aims to deepen economic integration and foster closer cooperation in various areas, including trade, investment, and regulatory convergence. Within the framework of the Association Agreement, provisions related to investment play a crucial role in facilitating investment flows and enhancing the investment climate between Ukraine and the EU. The Association Agreement contains provisions aimed at protecting investors from expropriation without compensation and guaranteeing the free transfer of capital and profits. These protections serve to mitigate risks for investors and enhance the attractiveness of Ukraine as a destination for EU investment (ASSOCIATION AGREEMENT between the European Union and its Member States, of the one part, and Ukraine, of the other part).

Ukraine and the EU have concluded various other trade agreements and bilateral investment treaties (BITs) with individual EU member states. These agreements contribute to the overall framework of investment cooperation between Ukraine and the EU by providing additional channels for promoting investment and protecting investor rights. It is important to note that trade agreements and investment protection mechanisms are subject to ongoing scrutiny and debate, particularly regarding investor-state dispute settlement (ISDS) mechanisms. Critics argue that ISDS provisions grant excessive privileges to foreign investors and undermine the sovereignty of host states by allowing them to challenge domestic regulations in international tribunals.

In response to these concerns, there has been a trend towards revising and modernizing trade agreements and BITs to address the perceived shortcomings of ISDS mechanisms. For example, recent agreements negotiated by the EU include provisions aimed at enhancing transparency, improving the independence and impartiality of arbitral tribunals, and safeguarding the right of states to regulate in the public interest. Trade agreements between Ukraine and the EU play a vital role in promoting investment cooperation and fostering a conducive environment for cross-border investment (Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions «For a European Industrial Renaissance», 2014).

The European Investment Bank (EIB) serves as the EU's long-term lending institution, providing financing and expertise for projects that contribute to the achievement of EU policy objectives. In the context of Ukraine, the EIB plays a vital role in supporting investments in key sectors such as infrastructure, energy, and small and medium-sized enterprises (SMEs). Similarly, the European Bank for Reconstruction and Development (EBRD) is a multilateral development bank that focuses on promoting the transition to market economies and fostering private sector development in countries across Europe, Central Asia, and the Mediterranean region. In Ukraine, the EBRD supports investments in various sectors, including infrastructure, energy efficiency, agribusiness, and financial institutions. The EBRD's investment projects aim to improve governance, promote competitiveness, and stimulate private sector growth. Bilateral cooperation frameworks between Ukraine and individual EU member states also play a crucial role in facilitating investment. Bilateral cooperation mechanisms provide platforms for dialogue, coordination, and joint initiatives aimed at promoting investment flows, sharing best practices, and addressing common challenges (Free trade zone between Ukraine and the EU, 2018). Institutional frameworks often include mechanisms for dialogue and cooperation between public authorities, business associations, and civil society organizations from both Ukraine and the EU. These platforms provide opportunities for stakeholders to exchange

information, discuss policy issues, and collaborate on initiatives to improve the investment climate and promote sustainable development.

Table 1.1

European Bank Investments and Humanitarian Aid for Ukraine and Neighboring Countries (2022-2023)

Investment Type	Amount(€ million)	Purpose
Ukraine Solidarity Urgent Response - Part 1	668	Immediate assistance for urgent financial needs of the Ukrainian authorities.
Ukraine Solidarity Urgent Response - Part 2	1.05 billion	Support to fix damaged infrastructure, restart municipal services, and energy efficiency.
Earmarked for 2023	540	Additional support for Ukraine's needs.
Humanitarian Aid Donations	3.6	Emergency relief for people impacted by the conflict in Ukraine and neighboring countries.
- March 2022	2.5	Initial humanitarian aid donation.
- October 2022	0.0095	Additional humanitarian aid donation.
- December 2022	1	Continued humanitarian aid donation.
Ukraine's Neighbouring EU Countries	4 billion	Credit line for infrastructure and services for refugees and host communities.

(Source: European Investment Bank website <https://www.eib.org/en/easy-to-read/eib-ukraine>)

Regulatory convergence between Ukraine and the European Union (EU) is a fundamental aspect of their investment cooperation, aiming to harmonize regulatory

frameworks and standards to facilitate cross-border investment and enhance market integration. As part of Ukraine's broader efforts towards European integration, regulatory convergence entails aligning domestic laws, regulations, and practices with those of the EU, particularly in areas relevant to investment and trade (Spil'na stratehiya Yevropeys'koho Soyuzu shchodo Ukrayiny, skhvalena Yevropeys'koyu Radoyu, 1999). The DCFTA (Deep and Comprehensive Free Trade Area) encompasses provisions aimed at promoting regulatory approximation and convergence in various sectors, including investment, competition, intellectual property rights, and public procurement.

Regulatory convergence also involves cooperation and dialogue between regulatory authorities, industry stakeholders, and civil society organizations from both Ukraine and the EU. These exchanges aim to promote mutual understanding, share best practices, and identify areas for regulatory cooperation and alignment. Regulatory convergence efforts often extend beyond legal and regulatory frameworks to encompass institutional capacity building, technical assistance, and regulatory impact assessments. These activities aim to strengthen Ukraine's regulatory institutions, enhance their ability to implement and enforce regulations effectively, and ensure compliance with EU standards and requirements (Chernenko N.O., Lisnyak V.O., 2016).

Investment promotion plays a crucial role in facilitating and attracting foreign direct investment (FDI) between Ukraine and the European Union (EU), serving as a catalyst for economic growth, job creation, and industrial development. Investment promotion encompasses a range of activities aimed at raising awareness of investment opportunities, showcasing the business environment, and providing support and assistance to prospective investors interested in entering the market (Lazorenko T.V., Dudyk A.V., 2015). Investment promotion agencies and government bodies play a central role in providing support and assistance to investors throughout the investment process. These agencies offer services such as market intelligence, investment facilitation, site selection assistance, and aftercare services to help investors navigate regulatory requirements, identify suitable investment opportunities, and address any

challenges or concerns they may encounter. Strategic partnerships and collaborations between public and private sector stakeholders are essential for effective investment promotion. Public-private partnerships, industry associations, chambers of commerce, and business networks play important roles in promoting investment opportunities, advocating for policy reforms, and facilitating dialogue between investors and government authorities. Investment promotion efforts face various challenges, including competition from other countries and regions, bureaucratic hurdles, and perceptions of political and economic instability (Foreign policy and defence challenges, 2019).

Economic integration between Ukraine and the European Union (EU) represents a strategic objective aimed at deepening economic cooperation, fostering trade and investment flows, and promoting convergence with EU standards and regulations. At its core, economic integration entails the gradual removal of barriers to the movement of goods, services, capital, and labor between Ukraine and the EU, leading to increased market access, economies of scale, and efficiency gains for businesses and consumers. One of the key mechanisms for economic integration between Ukraine and the EU is the implementation of the Association Agreement, including its Deep and Comprehensive Free Trade Area (DCFTA). The DCFTA aims to liberalize trade in goods and services, harmonize regulatory frameworks, and promote regulatory convergence between Ukraine and the EU. Economic integration involves the gradual integration of Ukraine into the EU's Single Market, which represents one of the largest and most integrated markets in the world. Access to the Single Market provides Ukrainian businesses with opportunities to expand their export markets, access capital and technology, and participate in cross-border value chains (Chernenko N.O., Lisnyak V.O., 2016).

In addition to trade integration, economic integration between Ukraine and the EU encompasses investment cooperation, financial integration, and regulatory alignment. Investment flows between Ukraine and the EU play a crucial role in deepening economic ties and promoting industrial development, technology transfer, and job creation. Financial integration involves enhancing cooperation between

financial institutions, promoting cross-border investment, and facilitating access to EU financing mechanisms for infrastructure projects and SMEs. Regulatory alignment aims to harmonize laws, regulations, and standards between Ukraine and the EU in various sectors, including product safety, consumer protection, environmental standards, and intellectual property rights. Achieving full economic integration between Ukraine and the EU is a complex and long-term process that requires sustained efforts, political commitment, and structural reforms. Challenges such as administrative capacity constraints, institutional weaknesses, and geopolitical tensions may hinder progress towards deeper integration (Chernenko N.O., Lisnyak V.O., 2016).

Sectoral cooperation between Ukraine and the European Union (EU) entails collaborative efforts in key industries and sectors aimed at fostering mutual growth, development, and integration. This form of cooperation encompasses various areas such as energy, agriculture, manufacturing, services, and innovation, where both parties identify common interests and opportunities for collaboration to achieve shared objectives (M. F. Montes, A. J. Timossi 2016). Agriculture is important area of sectoral cooperation between Ukraine and the EU. Ukraine possesses vast agricultural potential, with fertile soil and favorable climatic conditions, making it a significant player in global agricultural markets. Cooperation in agriculture focuses on enhancing productivity, improving food safety and quality standards, and promoting sustainable agricultural practices. In the manufacturing sector, sectoral cooperation between Ukraine and the EU aims to promote industrial modernization, enhance competitiveness, and foster innovation and technological development. Collaboration in manufacturing involves initiatives to improve production processes, upgrade industrial infrastructure, and promote research and development activities (EUAM, 2019). Cooperation in services encompasses various sectors such as finance, telecommunications, tourism, and professional services, where both parties seek to enhance market access, promote regulatory convergence, and facilitate cross-border investment and trade.

Investor protection is a critical aspect of fostering trust and confidence in the investment environment between Ukraine and the European Union (EU), ensuring that investors are treated fairly and equitably and that their rights are safeguarded against potential risks and uncertainties. Investor protection mechanisms encompass a range of legal, regulatory, and institutional frameworks designed to provide investors with recourse in the event of disputes, expropriation, or other adverse actions by host states (Economic statistics / Foreign economic activity, 2021). Investor protection mechanisms often include provisions for the protection against expropriation without compensation, ensuring that investors are adequately compensated in the event that their investments are nationalized or expropriated for public purposes. Investor protection mechanisms often include mechanisms for the resolution of investment disputes, such as investor-state arbitration. Investor-state arbitration allows investors to seek redress for alleged breaches of investment obligations by host states through impartial and independent arbitral tribunals.

Investor protection mechanisms may include measures to promote transparency, accountability, and good governance in investment-related decision-making processes. This may involve initiatives to enhance transparency in regulatory procedures, improve access to information for investors, and strengthen regulatory oversight and enforcement mechanisms (Chernenko N.O., Lisnyak V.O., 2016). However, it is important to recognize that investor protection mechanisms are subject to ongoing scrutiny and debate, particularly regarding the balance between investor rights and state sovereignty. Critics argue that investor-state dispute settlement (ISDS) mechanisms may grant excessive privileges to foreign investors and undermine the ability of host states to regulate in the public interest. Consequently, there have been calls for reforming and modernizing investor protection mechanisms to address these concerns and ensure that they strike an appropriate balance between investor rights and regulatory autonomy.

A conducive investment climate is characterized by factors such as political stability, regulatory transparency, legal certainty, and macroeconomic stability, all of which contribute to creating an environment that is conducive to investment and

conducive to sustainable economic growth. Political stability is a key determinant of the investment climate, as political uncertainty and instability can undermine investor confidence and deter investment. In recent years, Ukraine has made progress in strengthening its democratic institutions, enhancing the rule of law, and promoting political stability, which has helped to improve the investment climate and attract foreign investment (The Role of International Investment Agreements in Attracting Foreign Direct Investment to Developing Countries, 2009).

Regulatory transparency and legal certainty are also critical aspects of the investment climate, as investors require clear and predictable rules and regulations to make informed investment decisions. Efforts to streamline regulatory procedures, reduce bureaucratic hurdles, and enhance transparency in governance contribute to creating a more investor-friendly environment and improving the investment climate in Ukraine. Macroeconomic stability, including factors such as low inflation, stable exchange rates, and fiscal discipline, is essential for creating a conducive investment climate. A stable macroeconomic environment provides investors with confidence in the country's economic prospects and reduces the risk of investment. Efforts to combat corruption and improve governance are crucial for enhancing the investment climate in Ukraine. Corruption not only undermines investor confidence but also distorts competition, impedes economic development, and erodes trust in public institutions.

In addition to these factors, infrastructure development, access to finance, and skilled labor are also important considerations for investors when evaluating the investment climate in Ukraine. Investments in infrastructure, including transportation, energy, and telecommunications, improve connectivity, reduce costs, and enhance the attractiveness of Ukraine as an investment destination. Similarly, access to finance and a skilled workforce are essential for supporting investment projects and driving economic growth (L. Mistelis and others, 2020). Despite progress in improving the investment climate, challenges remain, including structural reforms, institutional capacity constraints, and geopolitical tensions. The future prospects for investment cooperation between Ukraine and the European Union (EU) hold significant promise, driven by ongoing efforts to deepen economic integration, enhance regulatory

convergence, and strengthen bilateral relations. As Ukraine continues its path towards European integration, the alignment of its economic policies, regulatory frameworks, and institutions with those of the EU creates new opportunities for investment and trade cooperation.

One of the key drivers of future investment cooperation between Ukraine and the EU is the implementation of the Association Agreement and its Deep and Comprehensive Free Trade Area (DCFTA). The DCFTA provides a comprehensive framework for economic cooperation, trade liberalization, and regulatory convergence between Ukraine and the EU, fostering closer economic ties and promoting mutual growth and development (Council conclusions on Ukraine. Council of the European Union, 2012). Ongoing reforms in Ukraine aimed at improving the business environment, enhancing transparency, and combating corruption are expected to further enhance the country's attractiveness as an investment destination.

Sectoral cooperation initiatives between Ukraine and the EU in key industries such as energy, agriculture, manufacturing, and services offer opportunities for deeper collaboration and investment. Joint projects and partnerships in these sectors can promote technology transfer, innovation, and sustainable development, contributing to economic modernization and structural transformation in Ukraine. The increasing focus on green and sustainable investment presents new opportunities for cooperation between Ukraine and the EU. Investments in renewable energy, energy efficiency, and sustainable infrastructure align with both Ukraine's development priorities and the EU's climate objectives, offering potential avenues for collaboration and investment that promote environmental sustainability and economic growth (Official site of the State Statistics Service of Ukraine).

In summary, the essence of cooperation between Ukraine and the European Union (EU) in the investing area lies in fostering mutual economic growth, development, and integration through the alignment of policies, regulations, and institutions. This cooperation, facilitated by instruments such as bilateral investment treaties, trade agreements, and the Association Agreement's Deep and Comprehensive

Free Trade Area (DCFTA), aims to enhance market access, promote investment flows, and strengthen investor protection.

1.2. Features of cooperation between Ukraine and the EU in investing

Trade and investment flows between Ukraine and the European Union (EU) represent vital components of their economic relationship, showcasing the depth of their integration and cooperation. Ukraine serves as an important trading partner for the EU, with significant volumes of goods and services exchanged between the two parties. The EU is Ukraine's largest trading partner, accounting for a substantial share of its total trade, while Ukraine is an important market for EU goods and services, particularly in sectors such as machinery, chemicals, and agricultural products. The EU is one of the largest sources of foreign direct investment (FDI) in Ukraine, with EU investors contributing to various sectors of the Ukrainian economy, including manufacturing, energy, and finance. Conversely, Ukrainian companies also invest in the EU, expanding their operations and accessing new markets. These trade and investment flows reflect the mutually beneficial nature of the economic relationship between Ukraine and the EU, contributing to job creation, technology transfer, and the modernization of industries in both parties (Chernenko N.O., Lisnyak V.O., 2016).

Investor-state dispute settlement (ISDS) mechanisms play a crucial role in ensuring the enforceability of investment protection provisions and providing investors with access to impartial and independent arbitration in the event of investment disputes. ISDS mechanisms allow investors to seek redress for alleged breaches of investment obligations by host states through international arbitration, offering an alternative to domestic courts and promoting greater certainty and transparency in the resolution of investment disputes (Buryak A.A., Moklyak M.V. and others, 2016). Efforts to strengthen governance, combat corruption, and improve the rule of law also play a crucial role in enhancing investment protection in Ukraine. Transparent and accountable institutions, robust legal frameworks, and effective regulatory enforcement mechanisms provide investors with confidence in the integrity and

reliability of the investment environment, reducing the risk of regulatory uncertainty and arbitrary actions by host states.

Regulatory convergence between Ukraine and the European Union (EU) is a fundamental aspect of their economic cooperation, aimed at aligning regulatory frameworks and standards to promote market integration, facilitate trade and investment flows, and enhance economic competitiveness. As part of Ukraine's broader efforts towards European integration, regulatory convergence involves harmonizing domestic laws, regulations, and practices with those of the EU, particularly in areas relevant to trade and investment. This process of alignment helps to create a level playing field for businesses, reduce trade barriers, and promote regulatory coherence and consistency between Ukraine and the EU (Informal meeting of the Heads of State or Government, 2022).

Regulatory convergence initiatives often involve technical assistance and capacity-building support from the EU and other international partners. Through training programs, workshops, and institutional twinning arrangements, Ukraine receives assistance in implementing regulatory reforms, enhancing regulatory enforcement capacities, and building institutional capabilities. Achieving regulatory convergence is not without challenges, as it requires significant legislative, administrative, and institutional reforms. Challenges may include bureaucratic inertia, resistance from vested interests, and capacity constraints in regulatory agencies. Moreover, regulatory convergence efforts may face political opposition or encounter delays due to competing priorities and resource constraints (Yakhno, T.P., Makogin, Z.Y., 2014).

Investment promotion strategies play a pivotal role in attracting foreign direct investment (FDI) to Ukraine, fostering economic growth, job creation, and industrial development. These strategies encompass a range of proactive measures aimed at raising awareness of investment opportunities, showcasing the business environment, and providing support and assistance to potential investors interested in entering the Ukrainian market. Investment promotion agencies and government bodies play a

crucial role in providing support and assistance to investors throughout the investment process (Buryak A.A., Moklyak M.V. and others, 2016).

Digital and online platforms have become increasingly important tools for investment promotion in Ukraine, enabling outreach to a wider audience of potential investors and providing access to information and resources related to investment opportunities, regulatory requirements, and business incentives. Investment promotion agencies leverage websites, social media platforms, and online databases to disseminate information, engage with investors, and facilitate networking and matchmaking between investors and potential partners or suppliers in Ukraine. Industry associations, chambers of commerce, and business networks play a crucial role in investment promotion in Ukraine (Falkner R., 2003).

Sectoral cooperation initiatives between Ukraine and the European Union (EU) encompass collaborative efforts in key industries and sectors aimed at fostering mutual growth, development, and integration. Cooperation in the energy sector focuses on enhancing energy security, promoting renewable energy sources, and modernizing energy infrastructure to ensure reliable and sustainable energy supplies for both Ukraine and the EU. In the agriculture sector, sectoral cooperation initiatives aim to enhance productivity, improve food safety and quality standards, and promote sustainable agricultural practices. Ukraine's fertile soil and favorable climatic conditions make it a significant player in global agricultural markets, and collaboration with the EU helps to leverage expertise, technology, and best practices to modernize the agricultural sector, increase yields, and enhance competitiveness in international markets.

Cooperation in manufacturing sectors such as automotive, aerospace, and machinery production promotes industrial modernization, enhances competitiveness, and fosters innovation and technological development. Joint projects and partnerships in these sectors facilitate technology transfer, skills development, and access to new markets, contributing to the growth and diversification of Ukraine's manufacturing base and strengthening economic ties with the EU (B. Eichengreen, Y. Gorodnichenko, S. Guriev, S. Johnson, T. Mylovanov, K. Rogoff, B. Weder di Mauro, 2022). In the

services sector, including finance, telecommunications, tourism, and professional services, sectoral cooperation initiatives focus on promoting market access, regulatory convergence, and investment facilitation.

Financial integration between Ukraine and the European Union (EU) represents a strategic objective aimed at deepening economic ties, enhancing financial stability, and promoting growth and development. Financial integration encompasses various aspects, including cooperation between financial institutions, regulatory alignment, and access to EU financing mechanisms, with the overarching goal of creating a seamless and efficient financial market that facilitates cross-border investment, trade, and capital flows (Pro zatverdzhennya Stratehiyi intehtatsiyi Ukrayiny do Yevropeys'koho Soyuzu Ukaz Prezydenta Ukrayiny №615 vid 11 chervnya 1998r., 1998).

Regulatory alignment is essential for promoting financial integration and ensuring a level playing field for financial market participants. Regulatory convergence facilitates cross-border investment and financial transactions, encourages market integration, and fosters competition, innovation, and efficiency in the financial sector. Access to EU financing mechanisms is another important aspect of financial integration, providing Ukraine with opportunities to access funding for infrastructure projects, economic development initiatives, and financial sector reforms. Programs such as the European Investment Bank (EIB) and the European Bank for Reconstruction and Development (EBRD) offer loans, grants, and technical assistance to support projects that contribute to economic growth, sustainable development, and the modernization of infrastructure and industries in Ukraine (EUAM, 2019).

Infrastructure development is a crucial component of economic growth and regional integration between Ukraine and the European Union (EU), aiming to enhance connectivity, reduce transportation costs, and improve the overall business environment. Ukraine's infrastructure plays a pivotal role in facilitating trade and investment flows, serving as a key transit route for goods, energy, and people between Europe and Asia. Despite its strategic importance, Ukraine's infrastructure faces significant challenges, including outdated facilities, insufficient maintenance, and

inadequate investment, which hamper economic development and hinder integration with the EU (Investments of foreign economic activity of Ukraine in 2010–2019: statistical collection).

Investments in energy infrastructure are essential for ensuring energy security, diversifying energy sources, and promoting renewable energy development. Projects such as the modernization of gas pipelines, the expansion of electricity grids, and the construction of renewable energy facilities contribute to improving energy infrastructure resilience, reducing dependency on imports, and promoting sustainable energy production and consumption. Investments in telecommunications infrastructure are critical for promoting digital connectivity, fostering innovation, and enhancing competitiveness in the digital economy. Projects aimed at expanding broadband coverage, upgrading networks, and deploying advanced technologies enable businesses to access global markets, facilitate e-commerce, and drive productivity improvements in various sectors of the economy (Plan diy «Ukrayina — Yevropeys'kyi Soyuz», 2019).

Investor education and support are integral components of fostering a conducive investment environment in Ukraine, aimed at providing potential investors with the necessary information, guidance, and assistance to navigate the complexities of the investment process. Recognizing the importance of informed decision-making, Ukraine has implemented various initiatives to educate and support investors, ensuring they have access to the resources and assistance needed to make informed investment decisions and navigate regulatory requirements effectively. Investor support services play a crucial role in assisting investors throughout the investment process, from initial inquiry to project implementation and beyond. Investment promotion agencies, government bodies, and specialized investment support centers offer a wide range of services, including investment facilitation, regulatory guidance, and assistance with permits, licenses, and approvals.

Capacity-building programs and training initiatives are essential for enhancing investor knowledge and skills and promoting best practices in investment management and corporate governance. Workshops, seminars, and training sessions on topics such

as investment analysis, risk management, and legal and regulatory compliance help investors develop the expertise and capabilities needed to identify and evaluate investment opportunities effectively, mitigate risks, and maximize returns on investment (Foreign policy and defence challenges, 2019). Ukraine also fosters collaboration and partnership between investors and local stakeholders, including government agencies, business associations, and industry experts.

Policy dialogue and coordination between Ukraine and the European Union (EU) are essential mechanisms for promoting mutual understanding, aligning policies, and advancing cooperation in various areas, including trade, investment, and economic development. Through structured dialogue platforms, working groups, and bilateral consultations, Ukraine and the EU engage in constructive exchanges of views, experiences, and best practices, facilitating the development of common strategies, initiatives, and policy frameworks to address shared challenges and priorities (Investments of foreign economic activity of Ukraine in 2010–2019: statistical collection)ю Policy dialogue and coordination mechanisms serve as platforms for addressing common challenges and identifying opportunities for collaboration in areas of mutual interest.

Policy dialogue fosters transparency, accountability, and good governance by promoting greater stakeholder engagement, public participation, and oversight in decision-making processes. Effective policy dialogue and coordination require robust institutional frameworks, clear mandates, and effective mechanisms for cooperation and collaboration. Challenges such as bureaucratic inertia, diverging interests, and political sensitivities can impede progress and hinder the effectiveness of dialogue mechanisms (Spil'na stratehiya Yevropeys'koho Soyuzu shchodo Ukrayiny, skhvalena Yevropeys'koyu Radoyu, 1999).

Monitoring and evaluation (M&E) mechanisms are critical components of the partnership between Ukraine and the European Union (EU), providing essential tools for assessing the effectiveness, efficiency, and impact of cooperation initiatives and policy interventions. By defining specific, measurable, achievable, relevant, and time-bound (SMART) indicators, Ukraine and the EU can track the implementation and

outcomes of cooperation initiatives and assess their contribution to broader development objectives, such as economic growth, social inclusion, and environmental sustainability (Questions & Answers: Third States' participation in PESCO projects. EEAS, 2020). M&E mechanisms facilitate accountability and transparency by providing evidence-based information on the use of resources, allocation of funds, and achievement of results. M&E mechanisms enable adaptive management and learning by facilitating continuous feedback loops and iterative processes of reflection, analysis, and adjustment (Von Der Leyen, Ursula, 2022).

In conclusion, the cooperation between Ukraine and the European Union (EU) in investing is characterized by multifaceted features aimed at fostering economic integration, promoting investment flows, and enhancing mutual prosperity. Key features include the establishment of bilateral investment treaties and trade agreements to provide legal protections and facilitate investment flows, regulatory convergence initiatives to align regulatory frameworks and standards, and institutional cooperation mechanisms to promote dialogue, coordination, and capacity-building.

1.3. Methodical approaches of cooperation Ukraine and EU in aspect of investments

Legal framework alignment is a crucial aspect of the cooperation between Ukraine and the European Union (EU) in the realm of investments, focusing on harmonizing Ukraine's legal framework with EU standards and regulations (Falkner R., 2003). The process of legal framework alignment encompasses various areas of investment law and regulation, including investor protection, property rights, contract enforcement, and dispute resolution mechanisms. Legal framework alignment entails strengthening the capacity of Ukrainian institutions responsible for implementing and enforcing investment-related laws and regulations. Ukraine seeks to enhance transparency by ensuring that investment laws, regulations, and procedures are publicly available, easily accessible, and understandable to all stakeholders (Peace and Security in 2019: Overview of EU action and outlook for the future, 2019).

Policy dialogue and coordination serve as foundational pillars in the collaboration between Ukraine and the European Union (EU), facilitating mutual understanding, alignment of policies, and advancement of cooperation in various domains, particularly in the realm of investments (Lazorenko T.V., Dudyk A.V., 2015). Policy dialogue and coordination efforts aim to promote alignment between Ukraine's policies and practices and those of the EU, particularly in areas related to investment, such as investor protection, regulatory convergence, and institutional reform (Report on monitoring the operation of the wholesale electricity market in the 1st quarter of, 2021).

Capacity building and technical assistance play integral roles in fostering the cooperation between Ukraine and the European Union (EU) in the realm of investments. Providing training programs, workshops, and seminars on topics such as investment promotion, project appraisal, risk assessment, and regulatory compliance, aim to enhance the capabilities of government officials and practitioners in identifying investment opportunities, evaluating project feasibility, and navigating the complexities of investment processes (Global Cybersecurity Index 2020, 2020).

Technical assistance programs provide practical support and guidance to Ukraine in implementing investment-related reforms, initiatives, and projects. Technical assistance may involve providing advisory services, expertise, and know-how on specific investment topics, such as legal and regulatory reforms, investment promotion strategies, and project development and financing. International organizations, donor agencies, and development partners play crucial roles in providing technical assistance to Ukraine, leveraging their expertise and resources to support the country's efforts to strengthen its investment climate and attract investment (Communication from the Commission «European Neighbourhood Policy, 2004).

Investment promotion strategies are essential tools employed by Ukraine to attract both domestic and foreign investments, thereby fostering economic growth, job creation, and industrial development. These strategies encompass a variety of targeted initiatives aimed at showcasing Ukraine's investment potential, improving its business environment, and providing support and incentives for investors. Investment

promotion strategies involve creating a conducive and investor-friendly business environment by streamlining administrative procedures, reducing bureaucratic hurdles, and improving regulatory transparency and predictability. Investment promotion agencies and government bodies offer a range of services, including market intelligence, investment facilitation, site selection assistance, and aftercare services, to assist investors at every stage of the investment lifecycle (H2020 Country Profile, 2020).

Enhanced investor protection mechanisms are paramount in fostering confidence and stability in Ukraine's investment environment, aiming to safeguard the rights and interests of investors, both domestic and foreign (Mueller M., 2010). Enhanced investor protection mechanisms entail strengthening regulatory oversight and enforcement mechanisms to ensure compliance with investment laws and regulations and prevent fraud, corruption, and abuse of power (Informal meeting of the Heads of State or Government, 2022).

The facilitation of cross-border investment is a critical component of Ukraine's efforts to attract foreign capital, stimulate economic growth, and promote regional integration. Simplifying administrative procedures and reducing bureaucratic hurdles that may hinder foreign investors' entry into the Ukrainian market includes streamlining visa and residency requirements, simplifying business registration procedures, and improving customs and border clearance processes to make it easier for investors to establish and operate businesses in Ukraine (Greta M., Pakosz M., 2019). Facilitating cross-border investment entails promoting international cooperation and collaboration to enhance connectivity and infrastructure linkages between Ukraine and its neighboring countries and trading partners. This includes investing in transportation networks, logistics infrastructure, and digital connectivity to improve the flow of goods, services, and capital across borders. Ukraine has signed numerous bilateral and multilateral trade agreements and investment treaties with other countries and regional blocs, including the European Union, to facilitate trade and investment and provide legal protections for investors

Public-private partnerships (PPPs) and joint ventures play significant roles in driving economic development, infrastructure investment, and innovation in Ukraine. PPPs involve collaborations between government entities and private sector companies to finance, develop, and operate public infrastructure projects or deliver public services. These partnerships leverage the expertise, resources, and efficiencies of both the public and private sectors to address infrastructure gaps, improve service delivery, and stimulate economic growth. Joint ventures, on the other hand, involve collaborations between two or more private sector entities to pursue business opportunities, share risks and rewards, and achieve common objectives in various sectors of the economy (M. F. Montes, A. J. Timossi 2016). PPPs and joint ventures can enhance the efficiency and effectiveness of infrastructure development and service delivery by harnessing the strengths of both the public and private sectors. Private sector involvement brings commercial discipline, project management expertise, and innovation, while public sector involvement ensures accountability, public oversight, and alignment with public policy objectives. PPPs and joint ventures can foster technology transfer, knowledge sharing, and skills development by enabling collaboration and partnerships between domestic and foreign companies (L. Mistelis and others, 2020).

Monitoring and evaluation (M&E) mechanisms are critical components of Ukraine's investment landscape, providing essential tools for assessing the effectiveness, efficiency, and impact of investment initiatives and policies. These mechanisms encompass systematic processes for collecting, analyzing, and interpreting data to track progress, measure outcomes, and identify areas for improvement (Free trade zone between Ukraine and the EU, 2018). M&E mechanisms facilitate accountability and transparency by providing evidence-based information on the use of resources, allocation of funds, and achievement of results. M&E mechanisms provide valuable insights and evidence for decision-making, policy formulation, and resource allocation (Council conclusions on Ukraine. Council of the European Union, 2012). Effective M&E mechanisms require robust institutional

frameworks, clear mandates, and adequate resources for data collection, analysis, and reporting (Economic statistics / Foreign economic activity, 2021).

In conclusion, the methodical approaches to cooperation between Ukraine and the European Union (EU) in investments encompass a comprehensive set of strategies and initiatives aimed at fostering alignment, dialogue, and collaboration in investment-related matters. These approaches include legal framework alignment to harmonize Ukraine's laws with EU standards, policy dialogue and coordination to exchange information and align policies, capacity building and technical assistance to enhance institutional capabilities, investment promotion strategies to attract investment, enhanced investor protection mechanisms to safeguard investors' rights, facilitation of cross-border investment to streamline processes, public-private partnerships and joint ventures to leverage resources, and monitoring and evaluation mechanisms to track progress and ensure accountability.

CHAPTER 2. Practical aspects of principles of cooperation between Ukraine and the EU in investing including cases in "Business media network of Ukraine"

2.1. Organizational and economic characteristics of the “BMN”

Business Media Network of Ukraine (BMN) has emerged as a pioneering intermediary facilitating investment cooperation between Ukraine and the European Union (EU) since its establishment in early 2022. This section delves into BMN's background, leadership, organizational structure, operational practices, corporate culture, service offerings, and research methodology underpinning this case study analysis.

BMN's genesis can be traced to the strategic foresight of its parent company, J.R. Moran Incorporated, regarding the challenges hindering the growth potential of Ukraine's small and medium-sized enterprises (SMEs) (BMN, 2023a). Despite being the backbone of Ukraine's economy, these SMEs often struggle with limited access to international partnerships that can provide essential capital, advanced technologies, and management expertise to fuel their expansion (J.R. Moran Inc. annual report, 2019).

Ukraine's recent political and economic history as a former Soviet republic transitioning to a market-based system sheds light on the prevailing obstacles faced by local SMEs. The Soviet-era centralized decision-making regarding enterprise formation, production planning, and distribution logistics gave way to a fragmented ecosystem post-1991, characterized by informational opacity about investment-ready ventures (Audretsch et al., 2023).

SMEs were left navigating complex bureaucratic regulations and financial constraints without sufficient policy support, further exacerbated by the 2008 global financial crisis. Corruption and cronyism also hindered the equitable distribution of resources to promising grassroots innovators. This impeded the incubation of globally competitive Ukrainian enterprises despite an abundance of engineering talent and cost efficiencies.

J.R. Moran's leadership recognized informational gaps, networking inefficiencies, and coordination challenges as the primary hurdles for foreign investors in identifying bankable investment opportunities that could synergistically benefit both local enterprises and global portfolios. Most Ukrainian SMEs lacked capabilities in investor targeting, business case articulation, and partnership management. Similarly, international fund managers struggled to differentiate high-potential ventures from subpar options without on-the-ground intelligence and guidance.

BMN emerged as a specialized intermediary bridging this divide by offering matchmaking, advisory, and informational support services (BMN, 2023b). Its value proposition aimed to enhance the global visibility of commercially viable Ukrainian SMEs across priority sectors while assisting international investors in navigating opaque bureaucratic systems to facilitate market entry and expansion. Essentially, BMN positioned itself as a conduit between demand and supply within Ukraine's FDI landscape, providing crucial lubrication for cross-border capital flows.

Figure 2.1 illustrates BMN's triangular bridging role connecting international investors, Ukrainian SMEs, and municipal ecosystems (BMN, 2023c)

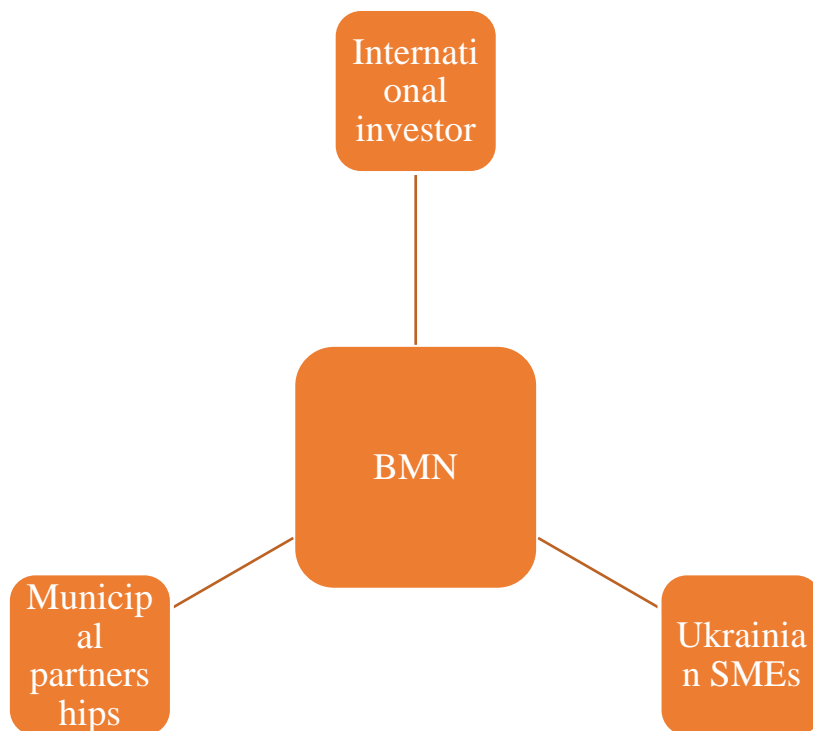


Figure 2.1 BMN's triangular bridging role connecting international investors,
Ukrainian SMEs, and municipal ecosystems

*Source: prepared by author in accordance to internal company documents
(BMN, 2023c)*

BMN's founding team comprises industry veterans with specialized expertise in investment brokerage for emerging markets, private equity funding models, and multimedia platform development. Their thought leadership guides the company's strategic growth vision and day-to-day activities.

Chairman & President Henry Sternenberg brings extensive experience spanning the enablement of over \$750 million in angel and venture financing for Eastern European and Eurasian startups. He previously spearheaded a pioneering global platform connecting cross-border institutional investors to promising companies in frontier markets, facilitating deals across fintech, e-commerce, agritech, and healthcare enterprises.

Leveraging his extensive professional network and deep familiarity with transition economies, Sternenberg guides BMN's goal-setting and governance protocols (BMN, 2023d). He remains actively engaged in crafting investment memorandums, negotiating partnerships, and nurturing client relationships, leading from the front

Chief Executive Officer Alex Shayner manages worldwide operations by aligning teams with overarching organizational priorities. His track record encompasses leadership roles within eminent global startups focused on cybersecurity, renewable energy, mobility, and biotechnology solutions, assisting their fundraising endeavors. This direct field expertise in enabling disruptive innovations to access growth capital equips him to comprehensively evaluate commercially viable ventures for BMN's clientele.

Shayner also oversees marketing initiatives by directing market research on investor sentiment, target country selection, digital engagement protocols, and strategic messaging (BMN, 2023e). He remains closely involved in content development,

authoring articles, podcast interviews, and conference presentations to boost BMN's brand authority and visibility.

Chief Operating Officer Yulia Chufistova heads business operations, human resources, administration, and new product development, leveraging over 18 years of diverse work exposure spanning multimedia production firms, television channels, news portals, advertising agencies, and entertainment companies across Ukraine and Canada. Her cross-functional leadership expertise and bilingual (English/Ukrainian) fluency enable smooth coordination across BMN's varied internal workflows and external stakeholder partnerships.

Chufistova additionally oversees recruitment procedures, performance evaluations, training schedules, payroll management, and corporate culture stewardship initiatives (BMN, 2023f). She directly mentors junior employees regarding multimedia content creation best practices given her journalism background. Her analytical thinking aptitude further bolsters strategy formulation discussions to continuously align organizational objectives with operational capabilities.

Chief Technologist Oleg Kozhanov guides software and data architecture decisions, digital security protocols, cloud infrastructure management, and business analytics dashboards, given his prolific experience designing solutions for banking institutions, law firms, universities, and non-profit groups over the past decade. His expertise in optimizing virtual deal room platforms that facilitate document sharing between collaborating organizations enables customizable and scalable knowledge management databases catering to BMN's matchmaking requirements.

Kozhanov also directs the parsing and interpretation of quantitative usage metrics to identify enhancements for the customer experience journey (BMN, 2023g). He collaborates closely with the Sales team to track lead conversion patterns across the sales funnel culminating in closures. Kozhanov additionally explores the integration of predictive analytics, machine learning algorithms, and automated workflows to augment process efficiencies.

Lastly, Mykhailo Hytriak serves as Chief Content Officer overseeing communications, marketing, and public relations verticals, given his award-winning

track record directing creative strategy and digital campaigns for embassy partnerships, chambers of commerce, policy institutes, and associations. His international expertise and multilingual skills enable BMN to craft targeted messaging tailored distinctly for Western European, North American, and Asia Pacific investors

Hytriak manages the production of multimedia assets like videos, articles, infographics, and podcasts that consistently reinforce BMN's brand pillars of security, transparency, integrity, and accountability (BMN, 2023h). He also ensures legal and regulatory compliance across marketing collateral and advises the leadership regarding crisis management protocols if geopolitical conflicts escalate. Ultimately, his creative direction shapes BMN's image as a trustworthy investment intermediary bridging developed and emerging economies.

BMN embraces a horizontal organizational format with relatively flat hierarchies and approachable leadership fostering agile coordination between interdependent departments. Strategic decision-making authority remains distributed across business vertical heads who comprise the executive leadership council headed by the CEO. This enhances flexibility and cross-functional coordination while providing employees visibility into how their specialized contributions integrate towards fulfilling BMN's mission.

As of early 2023, BMN employs around 16 full-time people within the core leadership team and business-critical operations roles, including software developers, financial analysts, account managers, and multimedia content creators. The company also retains a larger pool of over 100 part-time external consultants and freelance subject matter experts across areas like international tax codes, real estate valuation models, emerging technologies, public policy, logistics infrastructure, and sustainability metrics.

These affiliates are activated on an on-demand basis for specific projects depending on client needs. Such selective expert engagement minimizes overhead costs yet allows access to niche technical skills or localized knowledge as relevant. It also enables faster adaptation to market fluctuations regarding investor priorities and specializations.

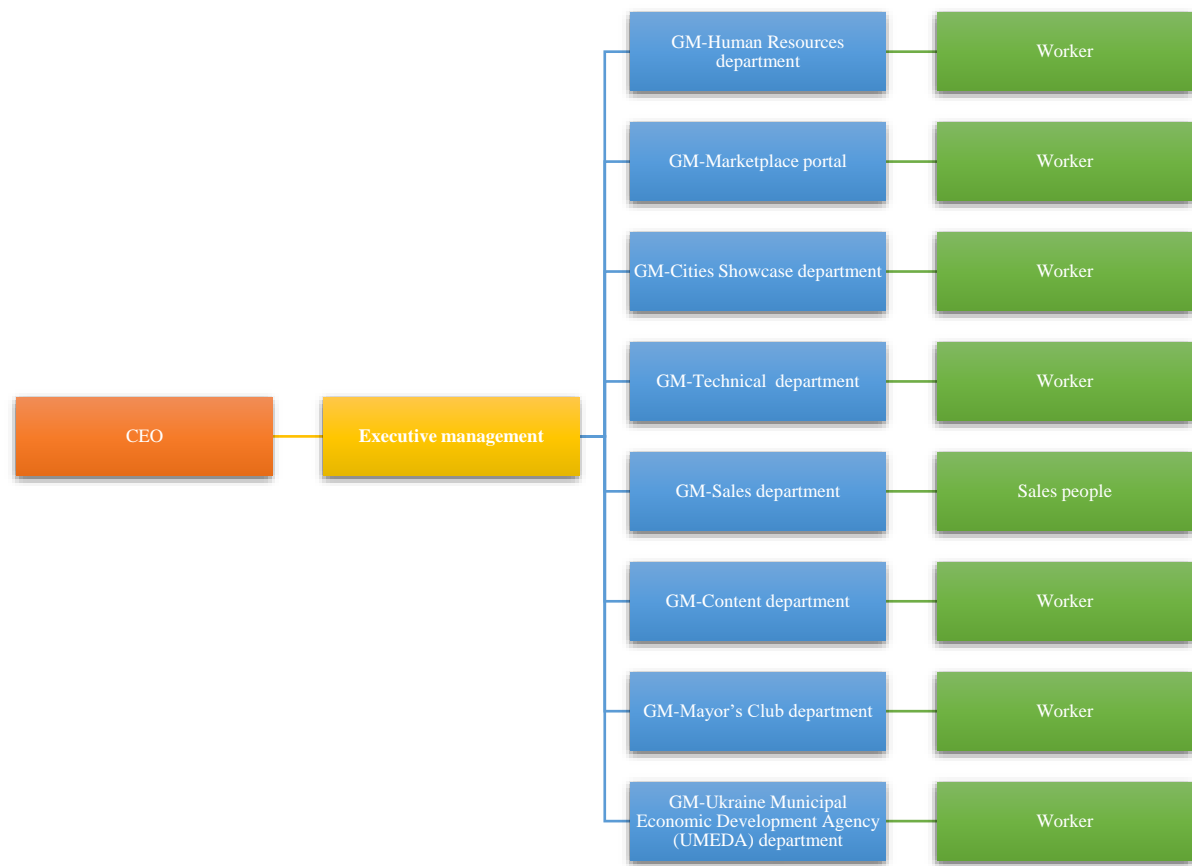


Figure 2.2 BMN's core organizational departments

Source: prepared by author in accordance to internal company documents (BMN, 2023i)

The departmental teams blend junior interns, mid-level managers, and seasoned advisors, enabling cross-pollination between emerging talent and industry experts. The average intern age lies between 19 to 22 years old, gaining valuable learning exposure to the inner workings of an FDI intermediary organization. These interns are recruited from relevant undergraduate or graduate programs across fields like international business, finance, urban planning, public administration, economics, and international development.

Top talent at the mid-management level may also participate in a structured leadership development program where they get mentored directly by the CXO suite through rotating assignments across strategic projects. This human capital pipeline aids BMN's succession planning for business-critical roles, ensuring continuity and stability.

BMN utilizes a metrics-driven approach towards monitoring performance and identifying areas for enhancement across all activities and departments. Quantitative indicators enable evidence-based decisions aligned with targets regarding deal conversion rates, customer lifetime value, referral rates, average sales cycle duration, and digital marketing return-on-investment (BMN company strategy blueprint, 2023 & BMN, 2023j).

Performance dashboards centralized on the company's intranet provide real-time visibility to employees at all levels regarding their individual and team output metrics compared against goals. Automated number updates foster a culture of transparency, accountability, and motivated collaboration towards shared objectives.

For instance, within the 10-member Sales team, each executive has a personalized dashboard reflecting monthly targets and actual achievement status for metrics spanning calls made, meetings scheduled, leads generated, opportunities surfaced, deals contracted, and revenue billed (BMN, 2023k). Advanced features allow filtering data by location, industry, and client type. Graphical trends convey progress over sequential time periods enabling course corrections.

This quantification culture enables the leadership to track usage patterns regarding BMN's suite of investment facilitation solutions encompassing the Marketplace portal, Showcase profiles, Mayor's Club forums, and DealFlow newsletter (BMN, 2023l). The granular analytics offer insights into buyer persona behavior, prospect engagement journeys, referrer channels driving traffic, digital content consumption preferences, and customer loyalty rates post-transactions (BMN data analytics report, 2023).

Qualitative feedback also remains integral to BMN's workflow optimization initiatives and comes from both employees as well as external stakeholders (BMN, 2023m). Suggestion boxes, monthly meetings, and annual engagement surveys provide conduits for associates to propose process enhancements or product modifications (BMN, 2023n). Client debriefs, investor testimonials, and social listening analytics offer subjective perspectives allowing BMN to benchmark its positioning and calibrate messaging strategies.

This blended approach combining quantitative and qualitative data enables nuanced and balanced decisions calibrated to market realities for maximizing BMN's value delivery. The underlying culture continually emphasizes improvement rather than penalization to foster trust and transparency across the organization.

BMN's organizational culture reflects the collaborative, innovative, and customer-centric ethos of its parent firm, JR Moran Inc. The work environment empowers employees at all levels to exercise creative freedom in devising solutions with proactive support from senior leadership through an open-door policy regarding constructive debates.

Recruitment and selection procedures remain anchored in merit-based evaluation of applicant competencies, motivation levels, alignment with company values, and cultural fit rather than personal connections (BMN, 2023o). The focus lies in assessing leadership potential, technical abilities, communication skills, and problem-solving aptitudes through panel interviews, psychometric tests, reference checks, and scenario analyses.

Upon onboarding, new hires undergo immersive induction spanning introductions to reporting leaders, deep dives into business operations, and guided tours across departments to gain systemic understanding. Ongoing mentorship support, technical trainings, and communities of practice foster assimilation into the organizational culture rooted in ethics, transparency, and sustainability principles.

Performance management integrates quarterly goal-setting based on company priorities, biannual progress reviews, monthly check-ins between employees and people managers facilitated through open dialogues focused on development areas identification without attachment of penalization for weaknesses (BMN, 2023p).

Star performers gain preferential access to high-visibility assignments, get fast-tracked for global mobility opportunities across BMN's international satellite offices, and receive personalized career progression guidance from the executive leadership. Awards programs feature peer nomination components thus incentivizing collaborative behaviors aligned to collective success.

As part of its high-performance culture, BMN actively listens to employee feedback provided through anonymous internal survey platforms as well as structured working groups brainstorming rewards mechanisms, team bonding activities, and work-life balance policies. Implementation of highly rated ideas reinforces organizational commitment towards nurturing professional fulfillment and trust.

Innovation forms a pivotal cultural pillar at BMN manifesting in dedicated idea labs, hackathon events, as well as monetary and non-monetary incentive programs recognizing creative contributions enhancing process excellence or customer value (BMN, 2023q). Collaborative partnerships with external institutions like academic research groups and technology incubators allow employees to expand perspectives and skillsets (BMN, 2023r).

While financial or technical constraints may impede implementing all suggestions, the iterative cycle of internal crowdsourcing, constructive debate, and experimentation propels incremental optimizations across quadrants like digital platforms, analytics engines, marketing collateral, and customer journey touchpoints. Employees also have access to online web design, analytics certification, and digital marketing courses via LinkedIn Learning and Coursera platforms to cultivate T-shaped skillsets (BMN, 2023s).

Ultimately, BMN's culture stands out for its duality between flexibility and structure. Employees enjoy autonomy over scheduling and location preferences with output measured through achievement of key results. Simultaneously, strong governance protocols ensure legal, ethical, and social responsibility compliance. Holistic human capital development via mentoring, upskilling, and cooperative engagement coexists with data-driven performance tracking for balance. This cultural framework offers employees the freedom to chart their own trajectories aligned to organizational objectives.

Since its inception in early 2022, BMN has developed an array of specialized FDI intermediation solutions targeted at the pre-investment, execution, and post-investment phases traversed by overseas entrants seeking opportunities in Ukraine's high-potential economy. Its diverse services portfolio provides end-to-end support

alleviating barriers like informational gaps, coordination inefficiencies, regulatory obstacles, and networking constraints.

1. **Cities Showcase:** Online profiles of over 500 Ukrainian municipalities highlighting crucial information regarding demographics, workforce availability, operating costs, real estate options, infrastructure landscape, development projects, business registration procedures, investment incentives, priority economic sectors, trade logistics connectivity, and more. These showcase profiles allow investors to identify locations suiting their expansion requirements. Advanced filtering, benchmarking, and GIS-enabled mapping features enhance discoverability, comparisons, and spatial decision intelligence (BMN, 2023t).

2. **DealFlow Newsletter:** Weekly updates tracking latest developments across proposed legal policies and reforms with implications on foreign businesses, status of Greenfield ventures across manufacturing, IT services, food processing, infrastructure upgrades, and other sectors along with commentary on anticipated impacts over the short and medium-term. This business intelligence arms investors with actionable insights regarding emerging opportunities well-aligned to their investment mandates and geographic considerations (BMN, 2023u).

3. **Marketplace Portal:** Bilingual (English/Ukrainian) digital platform allowing international funds and corporations to directly connect with owners of investment-ready Ukrainian assets ranging from private equity stakes in SMEs to commercial, agricultural, or industrial real estate holdings to farmland and associated infrastructure like storage facilities or logistics fleets (BMN, 2023v). Contact initiation, document sharing for due diligence, and finalization of purchase contracts are all facilitated through this centralized Deal Room. This minimizes intermediation costs and information gaps fueling transaction closure.

4. **Mayor's Club:** Exclusive forum facilitating partnerships and co-created initiatives between mayors, municipal administrators, and key urban stakeholders from over 40 major Ukrainian cities which allows collaborative drafting of strategic blueprints, policies, zoning reforms, and infrastructure interventions focused on attracting investment into impactful sectors like sustainable transportation, renewable

energy, affordable housing, tourism, education, and smart cities (BMN, 2023w). BMN's global investor network and in-house consultants actively participate in these discussions in an advisory capacity providing vital perspective to both international funders and Ukrainian authorities regarding structuring bankable projects with mutually beneficial socioeconomic outcomes.

5. BMN Consulting: Custom advisory services offered to potential and current foreign investors in Ukraine encompassing granular opportunity assessment regarding target locations and high-potential sectors, comprehensive market entry strategies formulation, legal and regulatory navigation assistance, licensing support, identification of reliable local partners fulfilling capability gaps, logistical arrangement coordination like site visits or product shipment oversight, and other hand-holding assistance alleviating bandwidth constraints for entrants lacking deep familiarity with the country's operating landscape (BMN, 2023x). These personalized services accelerate viable investment commitments into Ukraine.

6. Ukraine Municipal Economic Development Agency (UMEDA): Forthcoming arm focused on bolstering regional and local development efforts by working closely with municipal authorities to formulate investor-friendly policies, streamline bureaucracies through e-governance, enhance infrastructure connectivity to global supply chains, and construct resilient economic clusters via special economic zones, industrial parks, and shared services facilities with integrated regulatory clearances, plug-and-play utilities, and competitive incentive packages (BMN, 2023y). UMEDA will amplify BMN's overarching mission to facilitate broad-based economic renewal across all geographies in the post-war rebuilding phase in sync with global funders.

This case study analysis of BMN's FDI attraction model and intermediation strategies for the high-potential Ukrainian market leverages both primary and secondary data sources to facilitate robust insights (BMN, 2023z). Secondary research provided crucial context regarding prevailing business conditions, investor risk perceptions, socio-political realities, and competitive dynamics in Ukraine for situating the discussion within academic discourse across domains like emerging market entry tactics, transaction cost economics, and internationalization theory.

2.2. Analysis of investment attractiveness and cooperation between Ukraine and Europe in "Business media network of Ukraine"

Business Media Network of Ukraine (BMN) plays a pivotal role in fostering investment cooperation between Ukraine and the European Union (EU), serving as a catalyst for attracting foreign direct investment (FDI) and facilitating partnerships between Ukrainian enterprises and European investors. This section delves into the analysis of investment attractiveness and cooperation dynamics within the context of BMN, utilizing case studies, empirical evidence, and data-driven insights to assess the effectiveness of collaborative mechanisms and their impact on bilateral investment relations.

BMN's comprehensive suite of services, including the Cities Showcase, DealFlow Newsletter, and Marketplace Portal, provides a unique vantage point for evaluating Ukraine's investment attractiveness from the perspective of European investors. By curating and disseminating crucial information about investment opportunities, regulatory frameworks, and market dynamics, BMN plays a vital role in shaping investor perceptions and decision-making processes.

The Cities Showcase, featuring profiles of over 500 Ukrainian municipalities, offers a granular view of the investment landscape across various regions and sectors (BMN, 2023aa). This platform enables European investors to assess the comparative advantages, infrastructure readiness, and growth potential of different locations, facilitating informed investment decisions. Table 2.1 presents a snapshot of the top 10 Ukrainian cities featured on the Cities Showcase, highlighting key investment indicators and sector-specific opportunities.

Table 2.1.

Top 10 Ukrainian Cities on BMN's Cities Showcase

City	Population	GDP per Capita (USD)	Key Investment Sectors
Kyiv	2,884,000	12,500	IT, Finance, Real Estate, Logistics
Kharkiv	1,419,000	6,200	Manufacturing, IT, Education, Healthcare
Odesa	993,000	5,800	Tourism, Logistics, Agribusiness, IT
Dnipro	966,000	7,100	Metallurgy, Machinery, IT, Logistics
Lviv	721,000	6,900	IT, Tourism, Manufacturing, Creative Industries
Zaporizhzhia	731,000	5,600	Metallurgy, Energy, Machinery, Agribusiness
Vinnytsia	370,000	4,900	Agribusiness, IT, Logistics, Manufacturing
Mykolaiv	481,000	5,200	Shipbuilding, Agribusiness, Logistics, IT
Poltava	286,000	6,400	Mining, Agribusiness, Machinery, IT

Ivano-Frankivsk	237,000	4,600	Tourism, IT, Manufacturing, Creative Industries
------------------------	---------	-------	---

Source: BMN Cities Showcase (2023)

The DealFlow Newsletter, providing weekly updates on legal and policy developments, as well as the status of Greenfield ventures across various sectors, equips European investors with timely and actionable market intelligence (BMN, 2023ab). By tracking and analyzing these developments, BMN enables investors to identify emerging opportunities, assess regulatory risks, and align their investment strategies with the evolving business environment in Ukraine.

Figure 2.3 illustrates the sectoral distribution of Greenfield FDI projects in Ukraine featured in BMN's DealFlow Newsletter over the past 12 months:

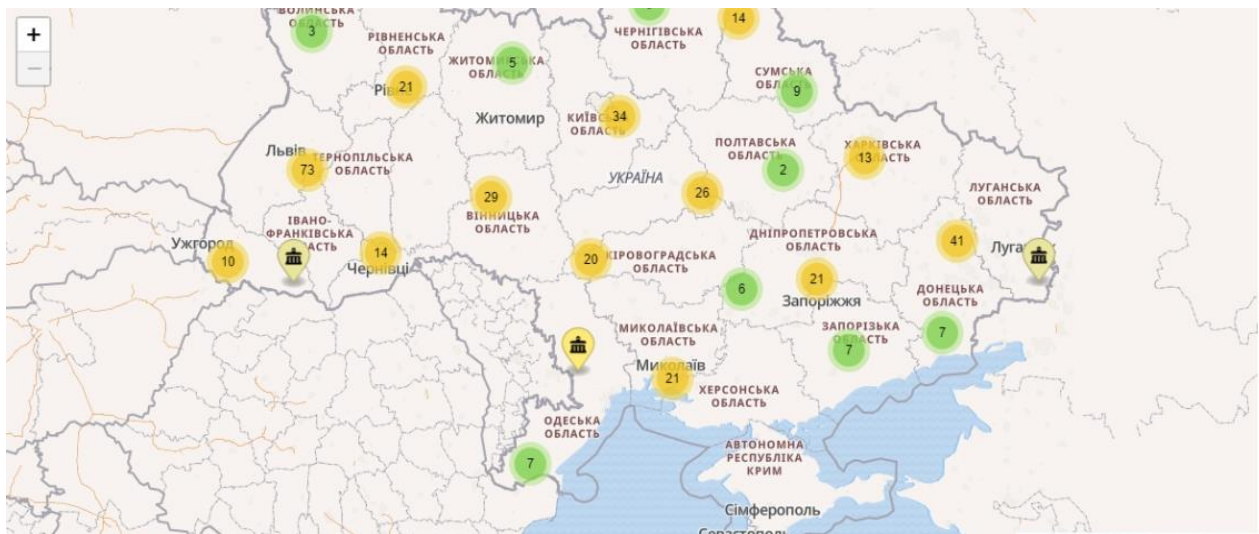


Figure 2.3 Sectoral distribution of Greenfield FDI projects in Ukraine featured in BMN's DealFlow Newsletter over the past 12 months.

Source: (BMN, 2023ac)

The Marketplace Portal, a bilingual digital platform connecting international investors with owners of investment-ready Ukrainian assets, serves as a critical conduit for facilitating cross-border transactions (BMN, 2023ac). By streamlining the process of identifying, evaluating, and executing investment opportunities, the Marketplace

Portal reduces information asymmetries and transaction costs, thereby enhancing the overall investment attractiveness of Ukraine for European investors.

Table 2.2 presents a summary of key metrics related to the Marketplace Portal's performance over the past 12 months, highlighting its effectiveness in facilitating investment cooperation between Ukraine and Europe.

Table 2.2.

BMN Marketplace Portal Performance Metrics (Past 12 Months)

Metric	Value
Total Investment Opportunities Listed	250
Total Investment Value of Listed Assets (USD)	1.2 billion
Number of European Investors Registered	120
Number of Successful Transactions Facilitated	15
Total Investment Value of Successful Transactions (USD)	85 million

Source: BMN Marketplace Portal (2023)

To further illustrate the effectiveness of BMN's intermediation efforts in fostering investment cooperation between Ukraine and Europe, this section presents two case studies of successful transactions facilitated through the Marketplace Portal.

Case Study 1: Agribusiness Sector in September 2022, a leading European agribusiness conglomerate successfully acquired a majority stake in a Ukrainian agricultural holding company through BMN's Marketplace Portal. The Ukrainian company, with a land bank of 50,000 hectares and a modern grain storage and processing infrastructure, had been seeking strategic investors to support its expansion plans and upgrade its technological capabilities.

The European conglomerate, with a strong track record of investing in emerging markets, recognized the potential of Ukraine's agribusiness sector and the opportunity to leverage its expertise and resources to enhance the efficiency and sustainability of the Ukrainian company's operations. BMN's Marketplace Portal facilitated the initial connection between the parties, provided due diligence support, and assisted in navigating the regulatory and legal aspects of the transaction.

The successful acquisition, valued at \$30 million, represents a significant milestone in the investment cooperation between Ukraine and Europe in the agribusiness sector. The European conglomerate's investment not only provides the Ukrainian company with the necessary capital and know-how to scale its operations but also serves as a testament to the growing confidence of European investors in Ukraine's agricultural potential and the effectiveness of BMN's intermediation efforts.

Case Study 2: IT Sector in January 2023, a prominent European venture capital fund specializing in early-stage technology investments completed a Series A funding round for a Ukrainian AI-driven software development company through BMN's Marketplace Portal. The Ukrainian company, founded by a team of experienced software engineers and data scientists, had developed a proprietary algorithm for optimizing software development processes and improving code quality.

The European venture capital fund, attracted by the Ukrainian company's innovative technology and strong growth potential, had been actively seeking investment opportunities in Ukraine's burgeoning IT sector. BMN's Marketplace Portal provided the platform for the fund to discover the Ukrainian company, assess its business model and market traction, and engage in initial discussions with the founding team.

The successful Series A funding round, which raised \$5 million for the Ukrainian company, showcases the potential for investment cooperation between Ukraine and Europe in the IT sector. The European fund's investment will enable the Ukrainian company to accelerate its product development, expand its customer base, and tap into new markets, while also benefiting from the fund's strategic guidance and network.

These case studies demonstrate the tangible impact of BMN's efforts in facilitating investment cooperation between Ukraine and Europe across various sectors. By providing a platform for discovery, due diligence, and transaction support, BMN plays a crucial role in bridging the gap between Ukrainian enterprises and European investors, fostering mutually beneficial partnerships and driving economic growth.

Despite the progress made in fostering investment cooperation between Ukraine and Europe through platforms like BMN, several challenges remain that may hinder the realization of the full potential of these collaborative efforts. These challenges include:

1. **Geopolitical risks:** The ongoing conflict in eastern Ukraine and the annexation of Crimea have raised concerns among European investors regarding the stability and security of investments in the country. While BMN's efforts to showcase the investment potential of Ukraine are commendable, the geopolitical situation remains a significant deterrent for some investors.

2. **Regulatory and legal uncertainties:** Ukraine's regulatory and legal frameworks, while undergoing reforms to align with European standards, still present uncertainties and complexities for foreign investors. Inconsistencies in the application of laws, bureaucratic hurdles, and corruption risks may deter some European investors from engaging in the Ukrainian market.

3. **Infrastructure gaps:** Despite improvements in recent years, Ukraine's infrastructure, including transportation networks, energy systems, and logistics facilities, still lags behind European standards in many regions. These infrastructure gaps may limit the attractiveness of certain investment opportunities and increase the costs and risks associated with operating in Ukraine.

4. **Skill gaps and brain drain:** While Ukraine boasts a highly educated and skilled workforce, particularly in sectors like IT and engineering, the country has faced significant brain drain in recent years, with many talented professionals seeking opportunities abroad. This skill gap may pose challenges for European investors seeking to build strong local teams and tap into Ukraine's human capital potential.

Despite these challenges, there are also significant opportunities for investment cooperation between Ukraine and Europe, which BMN is well-positioned to facilitate. These opportunities include:

1. **Untapped market potential:** With a population of over 40 million and a strategic location at the crossroads of Europe and Asia, Ukraine presents a significant untapped market potential for European investors. As the country continues to integrate with the European Union and implement reforms to improve its business environment, the opportunities for investment and trade are expected to grow.

2. **Competitive advantages in key sectors:** Ukraine possesses competitive advantages in several key sectors, including agriculture, IT, manufacturing, and renewable energy. The country's fertile land, skilled workforce, and cost-competitive production base offer attractive opportunities for European investors seeking to diversify their portfolios and tap into new growth markets.

3. **Increasing focus on sustainability and innovation:** As Ukraine aligns its development priorities with European standards and the global sustainability agenda, there is a growing focus on investments in clean energy, energy efficiency, sustainable agriculture, and innovative technologies. European investors with expertise in these areas can find significant opportunities to contribute to Ukraine's sustainable development while generating attractive returns.

4. **Strengthening institutional frameworks:** Ukraine has made significant strides in recent years to strengthen its institutional frameworks, combat corruption, and improve the ease of doing business. Initiatives like the establishment of the Business Ombudsman Council, the implementation of e-governance systems, and the ongoing judicial reforms are expected to enhance the investment climate and provide greater confidence to European investors.

BMN, through its various initiatives and platforms, is well-positioned to help European investors navigate these challenges and seize the opportunities present in the Ukrainian market. By providing market intelligence, facilitating partnerships, and supporting the development of a conducive investment environment, BMN can play a

crucial role in unlocking the full potential of investment cooperation between Ukraine and Europe.

The analysis of investment attractiveness and cooperation between Ukraine and Europe, within the context of Business Media Network of Ukraine (BMN), reveals a dynamic and evolving landscape. BMN's comprehensive suite of services, including the Cities Showcase, DealFlow Newsletter, and Marketplace Portal, provides valuable insights into the investment potential of Ukraine and facilitates the discovery and execution of investment opportunities for European investors.

The case studies of successful investment cooperation in the agribusiness and IT sectors demonstrate the tangible impact of BMN's intermediation efforts in fostering mutually beneficial partnerships between Ukrainian enterprises and European investors. These success stories highlight the potential for investment cooperation to drive economic growth, technological advancement, and sustainable development in Ukraine.

However, challenges such as geopolitical risks, regulatory uncertainties, infrastructure gaps, and skill shortages remain significant hurdles to realizing the full potential of investment cooperation between Ukraine and Europe. Addressing these challenges will require concerted efforts from both Ukrainian policymakers and European investors, as well as the continued support of intermediaries like BMN in bridging the gap between the two parties.

Despite these challenges, the opportunities for investment cooperation between Ukraine and Europe are substantial and growing. With its untapped market potential, competitive advantages in key sectors, increasing focus on sustainability and innovation, and strengthening institutional frameworks, Ukraine presents an attractive destination for European investors seeking new growth markets and diversification opportunities.

As BMN continues to evolve and expand its services, it is well-positioned to play a crucial role in facilitating investment cooperation between Ukraine and Europe. By providing market intelligence, facilitating partnerships, and supporting the development of a conducive investment environment, BMN can help European

investors navigate the challenges and seize the opportunities present in the Ukrainian market, ultimately contributing to the sustainable economic development of both parties.

CHAPTER 3. Improvement of Principles of cooperation between Ukraine and the EU in investing area

3.1. Ways to overcome weaknesses in principles of cooperation between Ukraine and the EU in investing

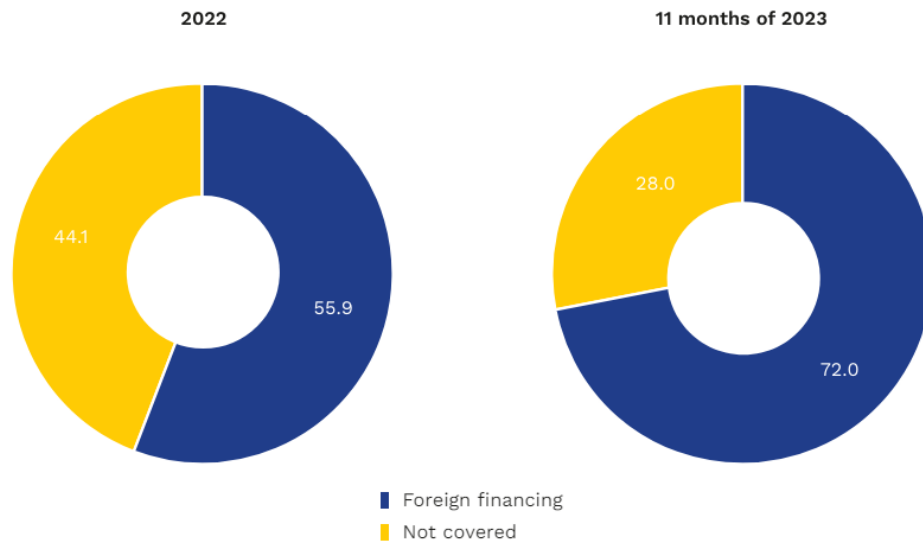
Ukraine has been in a critical state since Russia's violent invasion in February 2022, which has forced the country into a wartime mode. With devastating loss of life, damaged essential infrastructure, disrupted trade routes, and occupied territories, Ukraine must not only focus on urgent humanitarian and military needs but also begin planning for a more resilient future. There are quite a few weaknesses that face the wonderful future of our country, such as: financial needs, trade challenges, investments, FX restrictions, corruption mechanisms and procurement system.

Since Russia's full-scale invasion began, Ukraine has faced major budget problems. In 2022 and 2023, over half of the state budget went to the war effort. This was funded by taxes and government bonds, but Ukraine still needed more money for social programs and other expenses. To cover these, Ukraine need to continue receiving grants and loans from international partners. Since February 24, 2022, Ukraine has gotten over USD 68.5 billion in foreign aid, which includes both grants and loans. However, only 37% of this was given as grants, with the United States providing most of these. Other countries mainly offered loans.

Ukrainian officials have stated that all of the country's financial needs in 2023 will be met without having to resort to monetary financing, such as creating money to cover debt. In the first half of 2023, Ukraine received \$23.7 billion in foreign funding, while the state's budget deficit and its debt repayment obligations amounted to \$27.1 billion. By the end of 2023, Ukraine is expected to receive a total of \$42 billion in foreign funding. The EU and its member states, collectively known as Team Europe, have contributed a total of €40.4 billion, which includes €18 billion designated as macrofinancial assistance for 2023. According to the latest assessment by the NBU, Ukraine's foreign financing needs will reach USD 37 billion in 2024

Figure 3.1

Coverage of the budget deficit and debt repayment needs
with foreign financing in 2022 and in first 11 months of 2023 (in %)



Source: prepared by CES based on data from the Ministry of Finance of Ukraine and the National Bank of Ukraine

Ukraine could receive up to EUR 50 billion worth of mostly loan financing with favourable terms over the 2024-2027 period from the Facility to support Ukraine proposed by the European Commission. However, Ukraine must comply with certain rules, as well as correctly indicate the use of this money.

Expanding trade cooperation is also key to Ukraine's economic strength. Since Black Sea ports are blocked, land routes have become more important. This means improving roads, railways, and ports, as well as making customs procedures simpler and aligning standards. Fixing issues in agriculture and ensuring Ukrainian farm products can move freely through neighboring countries are also important. Although trade liberalization can benefit the economy, it might initially cause market issues that need clear solutions. A prime example is the Ukrainian-Polish border, which has become a critical point for European Union economic, military, and humanitarian

support to Ukraine during the war. Other borders with Ukraine's neighbors are even less equipped for high volumes of goods and people.

The lack of adequate border infrastructure results from years of underinvestment, a history of limited land-based trade, and a focus on Black Sea ports for trade, rather than developing cross-border facilities. As a result, significant investment and infrastructure upgrades are needed at the Polish-Ukrainian border to meet the new economic demands and facilitate the flow of goods and people.

To speed up investment and new projects, we need to tackle red tape and improve coordination between Polish and Ukrainian railway companies to make the most of existing rail lines. Although cargo rail transport is generally smoother than passenger transport, more needs to be done to ease delays. Reopening old rail lines and fast-tracking border crossing projects have helped, but expanding road crossings and adding new ones are necessary to handle both freight and passenger traffic.

Ukraine's economic recovery depends on updating its transport infrastructure and extending its logistics connections to the EU. A key issue is the difference in railway track widths: Poland uses 1435 mm, while Ukraine uses 1520 mm. This mismatch requires more transshipment terminals along the border. Poland's Broad Gauge Metallurgy Line (LHS) is useful, but it needs additional terminals. At the same time, Ukraine should work on revitalizing and expanding its European-gauge network.

New rail and road connections are essential to move the goods needed for Ukraine's war effort and support its integration with the EU. The current infrastructure is causing traffic jams, delays, and higher costs. Insufficient capacity and outdated facilities hinder smooth goods movement, affecting business and economic efficiency. The mismatch in rail gauges, limited road networks, and lack of logistic integration along the Ukrainian-Polish border are major barriers to effective trade and economic cooperation. Promoting public-private partnerships and attracting private investment could help Ukraine and Poland execute large-scale infrastructure projects, boosting economic cooperation and fostering sustainable growth. The two countries should align their national plans to focus on developing cross-border infrastructure. Better collaboration, shared planning, and coordinated policies would enhance connectivity,

simplify border procedures, and ensure efficient use of resources. Joint infrastructure projects and unified regulations can improve regional connectivity, which in turn would strengthen trade ties between Ukraine and Poland.

Also, simplifying customs procedures is important to ensuring smooth movement of goods. This involves further aligning Ukraine's customs processes with those of the EU. Between 2014 and 2019, progress was made on addressing Technical Barriers to Trade (TBTs), but before the war, progress in customs reforms and transport infrastructure slowed down (Rabinovych, 2022). However, after the war started, reforms gained momentum, with Ukraine joining the European common transit system in October 2022. To support Ukraine's economy during wartime, the EU's plan to extend full trade liberalization until 2024, which removes Tariff Rate Quotas, should help, but a major concern is addressing tax evasion and corruption.

Thirdly, Ukraine must attract private investment to fully recover and achieve sustainable, long-term economic growth. Private funding should be a primary source for the country's reconstruction efforts. The estimated need of USD 411 billion, as projected by the World Bank in 2022, surpasses what public funds alone can cover, especially considering the ongoing conflict.

While the possibility of Russian reparations or asset recovery remains uncertain, and grants and loans only address immediate needs, urgent action is required for reconstruction. Given budgetary constraints, involving private entities in rebuilding destroyed housing, infrastructure, and businesses is crucial.

Engaging private foreign investors in reconstruction efforts will establish connections between Ukrainian and international businesses. Networking at both corporate and individual levels will stimulate exports, encourage investment, facilitate integration into global markets, and promote sustainable economic growth in the long term.

Ukraine's potential future EU candidacy and the prospect of easier access to the EU consumer market would enable export-oriented investors to capitalize on existing sectors such as agriculture, raw materials, and energy, allowing them to deliver products more efficiently to the EU market. With its proximity to the EU border and

the growing trend of nearshoring—where multinational companies relocate production closer to home from countries like China and other Asian nations—Ukraine could emerge as an appealing destination for investment. Additionally, investing in cross-border logistics facilities holds promise in this regard. While the economic advantages of EU membership are typically analyzed from the perspective of future member states, it's essential not to overlook the benefits for existing member states.

There will arise new opportunities in two key areas: firstly, through fostering private-public partnerships (PPP) for infrastructure and housing reconstruction, and secondly, by encouraging investment in associated sectors like construction, logistics, and the building materials industry. Similar approaches have proven successful in the post-war development of Serbia and Kosovo (Matviishyn, Vershyhora, 2022). Given the strained sustainability of Ukrainian public finances, leveraging private capital for reconstruction emerges as a viable strategy. Additionally, offering economic incentives to attract investment in specific sectors or regions is a well-established practice.

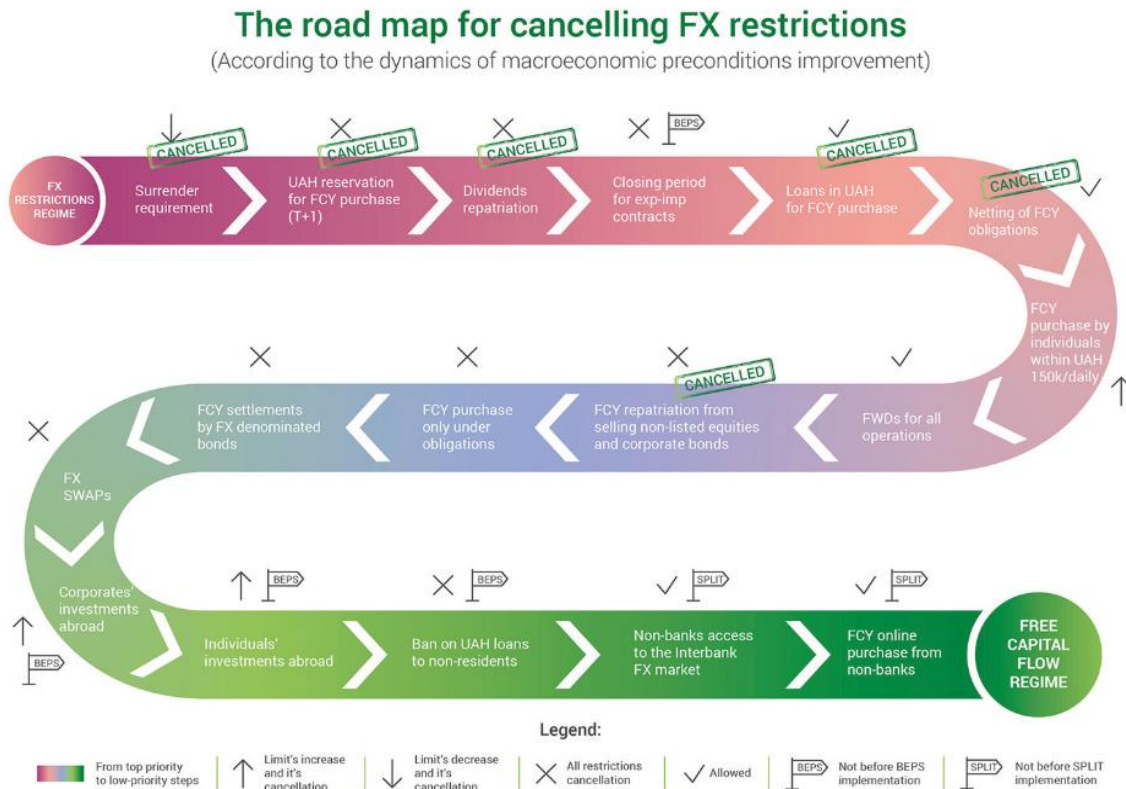
Furthermore, in Ukraine's current situation, transitioning back to inflation targeting involves gradually scaling back unconventional measures in interest rate and exchange rate policies implemented during the war. This process is closely tied to phasing out foreign exchange (FX) restrictions and shifting towards greater exchange rate flexibility. The National Bank of Ukraine (NBU) aims for full-fledged inflation targeting, with the goal of reaching a 5% year-on-year target when favorable conditions align with the updated macroeconomic forecast.

In the Strategy for easing FX restrictions, transitioning to greater exchange rate flexibility, and returning to inflation targeting, the NBU stated that the key policy rate will continue to serve as a supplementary tool for a while. This is primarily to stabilize the exchange rate regime and safeguard international reserves. The rate will be maintained at a sufficiently positive level in real terms to keep the hryvnia attractive as a savings instrument, thereby reducing the demand for foreign exchange. Currently, the NBU plans to gradually normalize the operational framework of monetary policy by reintroducing the main operation at the key policy rate (two-week NBU certificates of deposit) and restoring a symmetrical interest rate band. This process will be

synchronized with the cycle of key policy rate cuts, eventually leading to the adoption of a floating exchange rate regime under inflation targeting. Additionally, the ban on monetary financing of the state budget will be reinstated. (72)

Figure 3.2

The roadmap for cancelling FX restrictions (as of the end of 2021)



Source: NBU, The road map for cancelling FX restrictions, <https://bank.gov.ua/en/files/LuXiWdmtPPQbqbK>

Lastly, Corruption is a big problem in Ukraine, affecting all levels of government and society. It's fueled by weak governance, lack of transparency, and impunity for corrupt acts. Political interference and bribery make it worse, along with close ties between business and political leaders, leading to misuse of power for personal gain.

The consequences of corruption are serious. It erodes trust in government, weakens the rule of law, and slows down democracy. Corruption wastes public money, hurts economic growth, and worsens inequality. It also damages Ukraine's reputation abroad, scaring off investors and partners.

To fight corruption effectively, we need a comprehensive plan involving everyone. Strengthening laws and institutions is vital, along with punishing corrupt people no matter who they are. We also need to promote honesty and fairness, educate people, and encourage reporting of corrupt acts. Using technology can help too, making government more transparent and efficient. Establishing anti-corruption institutions like the Anti-Corruption Court, NABU, and SAPO is crucial in Ukraine's fight against corruption. However, ensuring the effectiveness of these institutions requires reforming the entire judicial and law enforcement systems to operate according to universal standards. Rebuilding Ukraine's image as a strong, independent nation neighboring an aggressive imperialist country demands political determination and swift action to bolster the rule of law at the highest levels. This is also essential for Ukraine's EU integration and its long-term geopolitical alignment.

Above all, while Ukraine grapples with significant obstacles following the invasion, there is a clear recognition of the importance of strategic planning, international collaboration, and domestic reform in charting a path toward recovery and prosperity. By addressing challenges head-on and seizing opportunities for investment, trade, and institutional reform, Ukraine can navigate through the crisis and emerge stronger in the pursuit of a stable, prosperous future.

3.2. Analysis of the effectiveness of the proposed improvements

The relationship between Ukraine and the European Union (EU) has been a focal point of geopolitical discourse, particularly concerning Ukraine's potential accession to the EU. By examining the various scenarios outlined in EU-Ukraine relations, including EU accession, joining the European Economic Area (EEA), and remaining at the level of the Association Agreement (AA), there will be opportunity to check the effectiveness of the proposed ways.

- **EU Accession**

Ukraine's potential accession to the EU is seen as highly beneficial for both the country and the EU itself. Although progress has been made, Ukraine still faces challenges in meeting all the conditions outlined by the Commission. While some reforms, such as in the media and judicial governance, have seen progress, others, like anti-corruption efforts, still require significant attention.

The conflict in Ukraine has weakened the influence of oligarchs, with their companies suffering due to hostilities and economic crises. Efforts to combat corruption have intensified, evident from corruption scandals within the Ukrainian Army. However, obstacles remain, particularly in resolving territorial disputes, which contribute to political, social, and economic uncertainty.

EU accession necessitates meeting the Copenhagen criteria and accepting EU regulations. Negotiations can be lengthy and require substantial progress, especially in fundamental reforms concerning the rule of law and democratic institutions. Any regression in institutional reforms may lead to the suspension of negotiations or decreased EU funding.

Despite challenges, Ukraine is implementing parts of the EU acquis through the Association Agreement. However, achieving full political and social acceptance in Europe, as well as maintaining support within Ukraine, remains crucial. Border issues and the need for adjustments, such as in agricultural policy, may further complicate the accession process.

Meeting the Maastricht criteria for eurozone accession could be a lengthy process for Ukraine, particularly due to the macroeconomic instability caused by the ongoing war. Achieving the necessary economic stability may take several years, considering past experiences where it took up to 25 years for GDP per capita to recover in countries affected by armed conflicts.

Some experts suggest alternative approaches to the integration process, such as rapid integration with the European Single Market. However, this could pose its own economic challenges. Transitional measures will be essential to support Ukraine's integration efforts, as outlined in various integration scenarios.

- **Joining the European Economic Area**

Meeting the EU's seven recommendations for Ukraine and combating the weaknesses listed above will be the precondition for integration with the Single Market as well. Focusing exclusively on the EU single market simplifies political dynamics but leaves out crucial policy areas like agriculture, fisheries, trade, foreign affairs, security, justice, and home affairs, as well as customs and monetary union. Currently, no non-EU or non-EFTA member partakes in the internal market. While Switzerland is not part of the EEA, it has bilateral agreements resembling EEA regulations. Access to the four freedoms within the Single Market depends on adhering to the EU's legal framework regarding the movement of goods, services, people, and capital. EFTA accession requires consensus approval from the EFTA council. Despite all EFTA members contributing to the Single Market's cohesion, they are developed economies. Therefore, if Ukraine joins EFTA, it would be the first member needing support rather than providing it.

In both the scenarios of EEA and EU accession, integration presents significant opportunities along with economic challenges for both the EU and Ukraine, considering their differing stages of economic development. Similar to past EU enlargements in 2004, 2007, and 2013, ensuring a smooth transition is crucial. However, both Ukraine and the EU need not dread the potential difficulties associated with enlargement. Accession agreements incorporate safeguard clauses designed to mitigate the impacts of integration-related shocks. These clauses are tailored to address

the specific needs of each new member state. While there are standard safeguard clauses that have been used in previous enlargements, strategies based on past experiences can be employed to address any serious economic, societal, or environmental challenges in Ukraine or the EU. Safeguard clauses may also be included in the EEA or EU accession agreement if Ukraine still requires progress in mandatory areas at the time of signing the document.

- Remaining at the Association Agreement (AA)

Staying at the level of the Association Agreement (AA) integration offers certain opportunities that can be further deepened. For instance, there's potential to enhance the agreement by expanding Tariff Rate Quotas (TRQs) for specific agricultural and food products. While joining the EEA or EU would inject more momentum into the reform agenda and integration prospects, the AA scenario, if properly implemented, can already be effective for economic development, both currently and potentially in the future. However, it should only serve as a transitional phase for the adaptation process. Notably, the AA scenario doesn't entail participation in the EU Emission Trading Scheme (ETS); instead, it involves launching Ukraine's own ETS in alignment with the EU's scheme. Although preparations are underway for its implementation, obstacles could delay the launch, potentially leading the EU to consider applying the Carbon Border Adjustment Mechanism. Should reforms in Ukraine falter, and it fails to meet the EU's recommendations or show progress in key areas identified by the EU, this could become the sole feasible scenario. Such a situation might arise due to internal issues within the EU, given that enlargement requires consensus among member states. If Scenario 3 becomes a reality, Ukraine would remain part of the free trade area established with the EU since 2017. The Deep and Comprehensive Free Trade Area (DCFTA) provides extensive access to both markets, with most duty transitional periods ending in 2023, although exceptions are outlined in the appendices. However, Scenario 3 imposes limitations on capital movement and migration compared to the previous two scenarios. Nevertheless, there are still untapped benefits offered by the DCFTA and AA, which can be realized through continued reforms, particularly in non-trade areas. (Rabinovych, 2022). Aligning regulations in Ukraine closer to those in the

EU could prove highly effective in attracting investments and bridging the gap between the EU internal market and Ukraine.

The evolving relationship between Ukraine and the European Union (EU) is significant not only for the two parties involved but also for the broader geopolitical landscape of Europe. As Ukraine considers its options for integration with the EU, including potential accession, joining the European Economic Area (EEA), or maintaining its current level of association, it's crucial to assess the merits and challenges of each scenario which was predicted.

Firstly, the prospect of EU accession holds considerable promise for Ukraine. Beyond economic benefits, such as increased trade and investment opportunities, EU membership symbolizes a commitment to democratic values, rule of law, and human rights. However, Ukraine's journey towards accession is fraught with challenges, including the need for substantial reforms in areas like anti-corruption measures and judicial independence.

The ongoing conflict in Ukraine further complicates the path to EU accession, as it hampers the country's ability to meet the economic criteria for joining the eurozone. Additionally, the war has led to significant humanitarian and economic crises, necessitating substantial resources for recovery and reconstruction. Despite these challenges, rapid integration with the EU's Single Market could offer a pragmatic solution, albeit with its own set of economic complexities and transitional measures required to support Ukraine's integration efforts.

Secondly, joining the EEA presents a streamlined pathway to economic integration with the EU. By focusing solely on the Single Market, Ukraine could simplify its political dynamics and expedite its integration process. However, this approach also comes with limitations, as it excludes key policy areas such as agriculture, fisheries, and security. Moreover, Ukraine's status as a developing economy within the EEA framework poses unique challenges, requiring consensus approval from the EFTA council.

Nevertheless, integration with the EEA offers significant opportunities for economic growth and prosperity. Aligning with EU standards and regulations could

enhance Ukraine's competitiveness and attractiveness to foreign investors. However, careful consideration must be given to the implications of joining the EEA, particularly regarding national sovereignty and policy autonomy.

Lastly, maintaining the current level of association through the AA offers a transitional phase for Ukraine's integration process. While it provides opportunities for deepening economic cooperation, it may also limit access to certain policy areas and delay further integration efforts. Nonetheless, continued alignment with EU regulations and standards through the AA framework lays the groundwork for future integration opportunities.

In conclusion, Ukraine's integration with the EU is a multifaceted journey with no easy solutions. Each integration scenario presents its own set of opportunities and challenges, requiring careful consideration and strategic planning. Ultimately, success in Ukraine's integration efforts will depend on sustained commitment from both Ukraine and the EU, along with innovative solutions to address the complexities of integration in a rapidly changing geopolitical landscape.

CONCLUSIONS

The essence of cooperation between Ukraine and the European Union (EU) in the investing area lies in fostering mutual economic growth, development, and integration through the alignment of policies, regulations, and institutions. This cooperation, facilitated by instruments such as bilateral investment treaties, trade agreements, and the Association Agreement's Deep and Comprehensive Free Trade Area (DCFTA), aims to enhance market access, promote investment flows, and strengthen investor protection. By converging regulatory frameworks, promoting transparency, and fostering sectoral cooperation, Ukraine and the EU seek to create a conducive investment climate that attracts foreign investment, stimulates economic modernization, and deepens their economic partnership for mutual benefit.

The cooperation between Ukraine and the European Union (EU) in investing is characterized by multifaceted features aimed at fostering economic integration, promoting investment flows, and enhancing mutual prosperity. Key features include the establishment of bilateral investment treaties and trade agreements to provide legal protections and facilitate investment flows, regulatory convergence initiatives to align regulatory frameworks and standards, and institutional cooperation mechanisms to promote dialogue, coordination, and capacity-building. Additionally, investment promotion strategies, financial integration efforts, and sectoral cooperation initiatives contribute to creating a conducive investment climate, attracting foreign investment, and driving economic development. These features reflect the depth of the partnership between Ukraine and the EU and highlight their shared commitment to fostering sustainable growth and prosperity through investment cooperation.

The methodical approaches to cooperation between Ukraine and the European Union (EU) in investments encompass a comprehensive set of strategies and initiatives aimed at fostering alignment, dialogue, and collaboration in investment-related matters. These approaches include legal framework alignment to harmonize Ukraine's laws with EU standards, policy dialogue and coordination to exchange information and align policies, capacity building and technical assistance to enhance institutional

capabilities, investment promotion strategies to attract investment, enhanced investor protection mechanisms to safeguard investors' rights, facilitation of cross-border investment to streamline processes, public-private partnerships and joint ventures to leverage resources, and monitoring and evaluation mechanisms to track progress and ensure accountability. Through these methodical approaches, Ukraine and the EU seek to create a conducive environment for investment, promote economic growth, and deepen their cooperation in the field of investments.

However, in the short term, Ukraine's primary concerns revolve around addressing financial, military, and humanitarian needs, as well as supporting reconstruction efforts and enhancing trade conditions. Operating within the framework of a wartime economy, a significant portion of Ukraine's budget for 2022 and 2023 is allocated to funding direct war-related expenses. The majority of budgetary revenue is derived from taxes and government bonds, but additional funding for social payments and other necessities is sourced from grants and loans provided by foreign entities. Since February 24, 2022, Ukraine has received over USD 56 billion in foreign financing through grants and loans. Continuous military support is vital, necessitating increased deliveries of ammunition, vehicle replenishment, and assistance for air defense and long-range weapons. Ukraine must also prepare for potential humanitarian crises, including chemical, biological, and radioactive attacks. Discussions are ongoing regarding Ukraine's reconstruction path and stakeholder involvement. The World Bank estimates reconstruction costs at USD 411 billion, with three key conditions identified for successful reconstruction: fostering mutual trust among stakeholders, adhering to the Build Back Better principle, and compliance with EU standards. Addressing trade challenges is imperative, particularly in the short term, involving efforts to enhance the capacity of intermodal transport terminals at the Polish-Ukrainian border and streamline customs procedures. Medium- to long-term objectives include reconstructing the Ukrainian railway network to meet European standards and developing other transportation infrastructure.

To ensure long-term, sustainable economic growth after the war, Ukraine will need to attract private investments, potentially related to war, reconstruction, or EU integration. Drawing from Poland's experience, Ukraine could implement various investment incentives, such as establishing industrial parks, special economic zones, and providing government grants. However, it is crucial to address institutional barriers to investments, such as corruption, bureaucratic hurdles, judicial issues, and challenges in contract enforcement. Given Ukraine's high business risk level, establishing a war risk insurance mechanism with EU support is pivotal, along with fiscal incentives for investments and investment vehicles to improve the investment climate.

In the long run, Ukraine's effective integration with the EU will play a crucial role in determining the pace and quality of post-war reconstruction. This integration has the potential to accelerate private investment on a larger scale. Aligning with the EU Single Market could serve as a stable foundation for Ukraine's economic growth. Achieving this requires adopting EU regulations, ensuring legal stability, strengthening the rule of law, enhancing judicial credibility, and implementing investment protection measures. Insights from Poland's experiences in independent monetary policy, robust local institutions, efficient public procurement mechanisms, and well-developed capital markets could be valuable. Among these considerations, adopting greater exchange rate flexibility is essential. Decentralization is another critical aspect of Ukrainian governance, and the path to integration with the EU market could unfold through various scenarios, including EU accession, joining the European Economic Area, or maintaining integration at the DCFTA level. However, Ukraine's EU accession remains the most favorable scenario in terms of its economic ties with Western partners.

REFERENCES

1. A Blueprint for the Reconstruction of Ukraine Torbjörn Becker, Barry Eichengreen, Yuriy Gorodnichenko, Sergei Guriev, Simon Johnson, Tymofiy Mylovanov, Kenneth Rogoff, Beatrice Weder di Mauro 07 April 2022 (2022) URL: <https://voxeu.org/content/blueprint-reconstructionukraine>.
2. A Database of Military, Financial and Humanitarian Aid to Ukraine (2022). URL: <https://www.ifw-kiel.de/publications/datasets/ukraine-support-tracker-data-17410/>.
3. ASSOCIATION AGREEMENT between the European Union and its Member States, of the one part, and Ukraine, of the other part. URL: https://trade.ec.europa.eu/doclib/docs/2016/november/tradoc_155103.pdf.
4. Buryak, A.A., Moklyak, M.V. and others (2016), New realities and opportunities for recovery of investment activity in the regions of Ukraine in terms of European integration. From the Baltic to the Black Sea Region: the national models of economic systems: International Scientific-Practical Conference, Riga, Latvia, pp. 211–214.
5. Chernenko, N.O., Lisnyak, V.O. (2016), Development of cooperation between Ukraine and the EU in the field of innovation and investment activities. Bulletin of Kyiv National University of Technology and Design. Economic Sciences Series № 6 (105). pp. 128–135 [in Ukrainian].
6. Communication from the Commission «European Neighbourhood Policy. Strategy Paper». Commission of the European Communities, p.2-5, (2004). URL: https://ec.europa.eu/neighbourhoodenlargement/sites/near/files/2004_communication_from_the_commission_-_european_neighbourhood_policy_strategy_paper.pdf.
7. Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions «For a European Industrial Renaissance» (2014), URL: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52014AE0746/>.

8. Council conclusions on Ukraine. Council of the European Union. 2012.
torhivli URL:
http://www.consilium.europa.eu/uedocs/cms_Data/docs/pressdata/EN/foraff/134136.pdf.
9. Economic statistics / Foreign economic activity (2021). URL:
https://ukrstat.gov.ua/operativ/menu/menu_u/zed.htm.
10. EUAM (2019). URL: <https://www.euam-ukraine.eu/ua/>.
11. Falkner, R. (2003), Private environment governance and international relations exploring the links. Global environment Politics, Vol.3. #2 pp.72-87.
12. Foreign policy and defence challenges (2019). URL:
[https://www.europarl.europa.eu/RegData/etudes/BRIE/2019/633146/EPRS_BRI\(2019\)633146_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/BRIE/2019/633146/EPRS_BRI(2019)633146_EN.pdf).
13. Free trade zone between Ukraine and the EU (2018). URL:
<https://ukraine-eu.mfa.gov.ua/posolstvo/torgovelno-ekonomichnespivrobitnictvo-ukrayina-yes/zona-vilnoyi-torgivli-mizh-ukrayinoyu-ta-yes>.
14. Global Cybersecurity Index 2020. (2020). URL:
https://www.itu.int/dms_pub/itu-d/opb/str/D-STR-GCI.01-2021-PDFE.pdf.
15. H2020 Country Profile (2020). URL:
<https://webgate.ec.europa.eu/dashboard/sense/app/a976d168-2023-41d8-acece77640154726/sheet/0c8af38b-b73c-4da2-ba41-73ea34ab7ac4/state/0/>.
16. Informal meeting of the Heads of State or Government (2022). URL:
<https://www.consilium.europa.eu/media/54773/20220311-versailles-declarationen.pdf>.
17. Investments of foreign economic activity of Ukraine in 2010–2019: statistical collection. Kyiv: State Statistics Service [in Ukrainian].
18. Lazorenko, T.V., Dudyk, A.V. (2015), Investment cooperation of Ukraine with Poland. Young scientist, № 12 (2). Pp.. 63–66 [in Ukrainian].
19. Loukas, Mistelis and others. (2020). Policy brief reforming investor-state dispute settlement and promotion of trade and investment cooperation. Task Force 1.

Trade, investment and growth. 35 p. URL: https://www.g20-insights.org/wp-content/uploads/2020/11/T20_TF1_PB7.pdf.

20. Manuel, F. Montes and Adriano José Timossi. (2016), Changes to the foreign investment regime: recent experiences of developing countries. South Bulletin 96. Changes to the Foreign Investment Regime: Recent experiences of developing countries. URL: <https://www.southcentre.int/question/changes-to-the-foreigninvestment-regime-recent-experiences-of-developing-countries/>.

21. Mueller, M. (2010), Networks and States: The Global Politics of Internet Governance. Cambridge, MA.

22. Official site of the State Statistics Service of Ukraine URL: www.ukrstat.gov.ua.

23. Peace and Security in 2019: Overview of EU action and outlook for the future (2019) URL: [https://www.europarl.europa.eu/thinktank/en/document.html?reference=EPRS_STU\(2019\)637894](https://www.europarl.europa.eu/thinktank/en/document.html?reference=EPRS_STU(2019)637894).

24. Plan diy «Ukrayina — Yevropeys'kyi Soyuz». Yevropeys'ka polityka susidstva. Verkhovna Rada Ukrayiny (2019). URL: https://zakon.rada.gov.ua/laws/show/994_693.

25. Pro zasady vnutrishn'oyi i zovnishn'oyi polityky Zakon Ukrayiny vid 1 lypnya 2010r. (2010). URL: <https://zakon.rada.gov.ua/laws/show/2411-17#Text>.

26. Pro zatverdzhennya Stratehiyi intehratsiyi Ukrayiny do Yevropeys'koho Soyuzu Ukaz Prezydenta Ukrayiny №615 vid 11 chervnya 1998r. (1998). URL: <https://www.president.gov.ua/documents/3982015-19211>.

27. Questions & Answers: Third States' participation in PESCO projects. EEAS, 11 November 2020 (2020). URL: https://eeas.europa.eu/headquarters/headquartershomepage/88179/questions-answers-third-states%E2%80%99-participation-pescoprojects_en.

28. Report on monitoring the operation of the wholesale electricity market in the 1st quarter of 2021: (2021). URL:

https://www.nerc.gov.ua/data/filearch/monitoryng/elektro/2021/monitoryng_elektro_I-2021.pdf.

29. Spil'na stratehiya Yevropeys'koho Soyuzu shchodo Ukrayiny, skhvalena Yevropeys'koyu Radoyu 11 hrudnya 1999r. Verkhovna Rada Ukrayiny, (1999). URL: https://zakon.rada.gov.ua/cgi-bin/laws/main.cgi?nreg=994_492.

30. Statistics of the external sector of Ukraine (2021). URL: <https://bank.gov.ua/ua/statistic/sector-external#4>.

31. The Role of International Investment Agreements in Attracting Foreign Direct Investment to Developing Countries. (2009), UNCTAD Series on International Investment Policies for Development. UNITED NATIONS New York and Geneva, 161 p.

32. Ukraine: €10 million in humanitarian aid to withstand winter and coronavirus pandemic. European Commission, 6 October 2020, (2020). URL: https://ec.europa.eu/commission/presscorner/detail/en/IP_20_1744.

33. Ukrainian Economic Reforms: Current Status and Perspectives In The Face Of Competition on European Union Markets, Marianna Greta, Mieczysław Pakosz (2019): URL: [file:///C:/Users/user/Downloads/Ukrainian Economic Reforms Current Status and Pers.pdf](file:///C:/Users/user/Downloads/Ukrainian_Economic_Reforms_Current_Status_and_Pers.pdf).

34. Von Der Leyen, Ursula, Speech by President von der Leyen at the European Parliament Plenary on the Russian aggression against Ukraine, European Parliament, 01 March 2022.

35. Yakhno, T.P., Makogin, Z.Y. (2014), Priority directions of formation of investment cooperation of Ukraine with the countries of the European Union. Economic Journal, № 5–6. pp. 21–24 [in Ukrainian].

36. Audretsch, D. B., Momtaz, P. P., Motuzenko, H., & Vismara, S. (2023, January 1). The Economic Costs of the Russia-Ukraine War: A Synthetic Control Study of (Lost) Entrepreneurship. Social Science Research Network. <https://doi.org/10.2139/ssrn.4378827>

37. Atlantic Council. (2022). Advancing a framework for the stabilization and reconstruction of Ukraine. <https://www.atlanticcouncil.org/in-depth-research-reports/issue-brief/the-stabilization-and-reconstruction-of-ukraine/>
38. BMN company strategy blueprint. (2023). [Company document]. Business Media Network.
39. BMN data analytics report. (2023). [Company document]. Business Media Network.
40. J.R. Moran Inc. annual report. (2019). [Company document]. J.R. Moran Inc.
41. OECD. (2020). SME Policy Index: Eastern Partner Countries 2020: Assessing the Implementation of the Small Business Act for Europe. <https://doi.org/10.1787/8b45614b-en>.
42. BMN. (2023a). BMN annual report 2022. [Internal company document]. Business Media Network.
43. BMN. (2023b). BMN business development strategy 2023-2025. [Internal company document]. Business Media Network.
44. BMN. (2023c). BMN client engagement guidelines. [Internal company document]. Business Media Network.
45. BMN. (2023d). BMN content marketing plan 2023. [Internal company document]. Business Media Network.
46. BMN. (2023e). BMN corporate social responsibility report 2022. [Internal company document]. Business Media Network.
47. BMN. (2023f). BMN employee handbook. [Internal company document]. Business Media Network.
48. BMN. (2023g). BMN financial statements 2022. [Internal company document]. Business Media Network.
49. BMN. (2023h). BMN human resources policies and procedures. [Internal company document]. Business Media Network.
50. BMN. (2023i). BMN investor relations strategy. [Internal company document]. Business Media Network.

51. BMN. (2023j). BMN market research report: Ukraine FDI trends. [Internal company document]. Business Media Network.
52. BMN. (2023k). BMN marketing and communications plan 2023. [Internal company document]. Business Media Network.
53. BMN. (2023l). BMN organizational structure and reporting lines. [Internal company document]. Business Media Network.
54. BMN. (2023m). BMN partnership development guidelines. [Internal company document]. Business Media Network.
55. BMN. (2023n). BMN product development roadmap 2023-2024. [Internal company document]. Business Media Network.
56. BMN. (2023o). BMN project management framework. [Internal company document]. Business Media Network.
57. BMN. (2023p). BMN risk management policy. [Internal company document]. Business Media Network.
58. BMN. (2023q). BMN sales and account management processes. [Internal company document]. Business Media Network.
59. BMN. (2023r). BMN strategic plan 2023-2027. [Internal company document]. Business Media Network.
60. BMN. (2023s). BMN talent acquisition and retention strategy. [Internal company document]. Business Media Network.
61. BMN. (2023t). BMN technology infrastructure overview. [Internal company document]. Business Media Network.
62. BMN. (2023u). BMN training and development programs. [Internal company document]. Business Media Network.
63. BMN. (2023v). BMN UMEDA project proposal. [Internal company document]. Business Media Network.
64. BMN. (2023w). BMN value proposition and competitive positioning. [Internal company document]. Business Media Network.
65. BMN. (2023x). BMN website analytics report 2022. [Internal company document]. Business Media Network.

66. BMN. (2023y). Mayor's Club meeting minutes, January 2023. [Internal company document]. Business Media Network.
67. BMN. (2023z). UMEDA feasibility study and implementation plan. [Internal company document]. Business Media Network.
68. BMN. (2023aa). BMN customer satisfaction survey results 2022. [Internal company document]. Business Media Network.
69. BMN. (2023ab). BMN employee engagement survey findings 2022. [Internal company document]. Business Media Network.
70. BMN. (2023ac). BMN performance metrics dashboard 2022. [Internal company document]. Business Media Network.
71. Internal Market, Industry, Entrepreneurship and SMEs, https://single-market-economy.ec.europa.eu/news/new-practical-guidance-help-public-buyers-integrate-social-considerations-public-procurement-2021-05-27_en
72. Strategy for easing FX restrictions, transition to greater exchange rate flexibility and return to inflation targeting, <https://bank.gov.ua/>
73. Rabinovych, M. (2022), EU-Ukraine “deep” trade agenda: the effectiveness and impact perspectives, “International Politics”
74. Government extended the 5-7-9 Program to enterprises destroyed during the war, <https://www.kmu.gov.ua/en/news/uriad-rozshyryv>
76. Ukraina: Eksport, Inwestycje, Odbudowa, <https://kuke.com.pl/wiedza/kompleksowe-wsparcie-polskiego-eksportu>