

INVESTMENT GRANT CLIMATE IN UKRAINE

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The investments for economic development are needed more than ever in Ukraine now. Additional funds may be raised by the external and internal ways. Internal way provides for investments and credits, which are coming from private sector and governmental budgets inland. External way is used for attracting facilities from abroad large enterprisers and governmental budgets.

This financial assist for Ukraine provides not only for increasing in money supply, but also for international relationship building. Use investments as needed and reporting for investors helps to raise trust level for Ukrainian government. Investments play a critical role at the macro level. They are an integral part of the development of the economy, as well as one of the main factors of its development, in addition, they determine the future of the country as a whole, of a separate entity, enterprise.

There are a variety of existing sources of financing. The most important conformation of capital enclosure for Ukrainian national economic is embodied in foreign direct investments (FDI), that gives an opportunity to realize large significant projects. But on the other hand, investments can be not only profitable financially, raise GDP amount via gross domestic investment and so on. It also can benefit to society due to destining of this money to meet the need by the indirect way, but namely via public organizations and international agencies. It also known as indirect financial assistance from others governments or organizations what is called as “grants”. Forcing of investment climate and revitalization of grant activities in Ukraine are urgent problems for these days. Whereas financial recourses at government’s disposal are limited and sensitive enough to one’s misapplication, then large amount of new investments have to come from public sector and private sector, external and internal.

Grants include into definition “investments” but one the striking difference takes place. Investment provides for financial commercial enclosure to make a profit in the future and get earnings rate for investor. In this time grants furnish financial aid without commercial compensation, except the raising investor’s authority, satisfaction of it’s interests and spreading the main idea of investor’s project in return. The grants support nonprofit projects that are important to the community or to a specific territorial community, organization, or institution. And it used to estimate this points as advantages.

At present in Ukraine there is a great deal of beneficial organizations and foundations of the same kind as those from abroad. The main method is the use

of third-party financial instruments for the development of various problems via the grants submitting.

The most common source of additional resources for non-profit, budgetary organizations and socially significant projects are charitable foundations known as donors that assist in the form of grants. Grants differ in types and kinds according to their adaptation and purpose.

- General Support Grant provided to support core activity, sustainability and development;
- Program or Project Grant granted for the implementation of specific projects or programs;
- Partial Grant provides for the compulsory involvement of additional sources of funding (other donor organizations or the own funds of the organization, institution);
- Capital grant furnished for capital expenditures (purchase of real estate, repair, purchase of necessary equipment);
- Corporate grant provided by business entities. It may also include co-financing of the project by the business;
- Initial Grant provided at the initial stage of development of an enterprise, organization or institution to ensure their stability and functioning. It can also be used to create new organizations (new destinations within the existing);
- In-kind grant granted in the form of tangible assets, not cash;
- Intermediary Grant sponsored by a policymaker on behalf of him;
- Target Grant furnished for specific activities.

More than \$ 9 billion in grants has been received and mastered in Ukraine since 1991, of which about \$ 3.3 billion is being realized at the present time. This figure does not take into account grants from private organizations, including large donors. Grant activity begun to be created and developed since the moment, when Ukraine had started to go out on world stage and found rudiments of international relationships.

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