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PROSPECTS FOR THE DEVELOPMENT OF PROJECT FINANCING IN UKRAINE

The active development of global economic relations and, accordingly, the global financial market, the beginning of the functioning of international organizations that form the infrastructure of the project financing system in the domestic market of banking services, and at the same time the growth of the level of capitalization of the domestic banking system led to the emergence and further development of project financing as a modern banking service.

Experts note that in recent years, project financing has acquired signs of a promising vector of financial activity, and its role is especially relevant for capital-intensive sectors of the economy. Given that the basis of effective and successful innovative activity is the correctly chosen method of financing, the expansion of the operational boundaries of project financing at the national level is relevant in modern conditions.

Commercial banks are the main providers of investment financing to support innovative activities and therefore play an important role in the project financing system.

There are basically two views on the interpretation of the term "project financing":

1) project financing is the granting of a targeted loan to the borrower for the implementation of an investment project "without recourse" or "with limited recourse" by the creditor to the borrower. The security of credit obligations in such a case consists exclusively or mainly of income from the project, as well as assets belonging to the investment project;

2) project financing is a method of mobilizing investment funds from various sources or using various methods for financing a specific investment project and optimal distribution of financial risks associated with project implementation [1].

Thus, project financing is a complete system of financing large investment projects, and the project itself acts as a means of securing the debt.

At the global level, the greatest demand for project financing is in sectors such as energy, mineral development and mining, transport infrastructure and telecommunications, i.e. very large investment projects, which at the same time are characterized by a high level of technological, economic and political risk.

The characteristics of project financing are determined by the details of the contract between the project company and other participants in the provision of project activities. The completed "contract package" forms a certain "contract network" depending on the specific stage of implementation, based on the interaction of various business entities involved in the implementation of the project by the project company. Each contract can contain related contracts, and each participant can perform different functions. For example, a contractor can be a developer at the same time, and a developer can be a project operator at the same time. The bank can be both a sponsor and a creditor. However, the main interest of the sponsor is that the project generates the planned cash flows.

The identified characteristics of project financing reflect its importance and role in the redistribution of financial resources, since, on the one hand, redistribution affects economic growth, and on the other, it stimulates the attractiveness of real investments. On the other hand, implementation of large-scale projects through project financing affects economic growth [2].

In an effective system of innovation policy implementation, an important element is the financial support of innovation activity, since an adequate amount of funds guarantees the effective implementation of the innovation process.

The functions of banking institutions in the system of project financing are as follows:

- mobilization - the selection of the most effective sources and methods of mobilizing investment resources and attracting funds on the domestic and foreign markets;
- expert - selection and review of investment projects, development of methods and criteria for assessing investment attractiveness and selection of participating banks;
- stimulating - the development and implementation of a set of measures for the implementation of an effective integrated credit program, with banks acting as the main executors or creditors.
- payment - organization of funds movement, establishment of connections, invoicing to clients and cash handling, making international payments.
- control - control over the effective and targeted use of the resources involved, as well as control over the project's payback and timely debt repayment by the borrower [1].

Long-term technological projects in the currencies of other countries involve significant operational and currency risks for domestic commercial banking institutions. At the same time, it should also be noted that the involvement of banking institutions in the project financing system will actively increase, especially given the fact that after the economic crisis in Ukraine, many problems with financing arose. Project financing not only carefully differentiates the conditions of implementation of investment projects and uses individual approaches, but also brings many advantages due to the combination of different financing methods.

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