

U.S.-Ukraine Reconstruction Investment Fund Agreement Sparks Optimism for Ukraine's Geological Sector

May 14, 2025



The recent signing of the U.S.-Ukraine Reconstruction Investment Fund Agreement has generated renewed hope for significant investment in Ukraine's geological exploration and subsoil use sector, according to Pavlo Zahorodniuk, President of the Ukrainian Association of Geologists.

Speaking at the VII Congress of Ukrainian Geologists, themed 'Ukrainian Geology in the Context of Modern Geopolitical Challenges,' Zahorodniuk highlighted the current stagnation in new mineral deposit exploration within Ukraine, compounded by a growing issue of "dormant licenses"—licensed sites where exploration or development activities are virtually absent.

"Thanks to the dedicated work of geological services, Ukraine has identified approximately 20,000 deposits and occurrences encompassing 105 types of minerals," Zahorodniuk stated. "While around 3,500 of these were developed post-Soviet era and many subsequently privatized, the exploration of new deposits has largely ceased."

Zahorodniuk noted that currently, Naftogaz of Ukraine stands as the primary entity actively involved in exploring new mineral fields. He emphasized the potential significance of the agreement with the United States, stating, "The signing of this agreement provides a crucial glimmer of hope that much-needed investment will finally flow into this vital sector."

He further elaborated on the challenges facing the geological exploration and subsoil use industry, including environmental, social, and technical hurdles. "Developing mineral projects is a long-term, capital-

intensive undertaking, and profitability can be challenging,” Zahorodniuk explained. “The expressed interest from American investors is a positive development, potentially revitalizing Ukraine’s geological sector and creating valuable employment opportunities for our skilled professionals.”

The intergovernmental agreement between Ukraine and the United States is anticipated to encompass both new licenses and currently underutilized “dormant” licenses. While initial reports suggested the fund would be solely financed by revenues from new licenses, the Ministry of Environmental Protection and Natural Resources has indicated intentions to intensify efforts to address dormant licenses, which currently hinder the full realization of Ukraine’s geological potential. The Ministry has already compiled lists of licensed sites exhibiting minimal or no operational activity over the past decade.